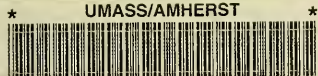


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Annual Report
of the
Governor of Hawaii
to the
Secretary of the Interior



Fiscal Year Ended June 30, 1950

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, *Secretary*

TERRITORY OF HAWAII
INGRAM M. STAINBACK
Governor

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CONTENTS

	Page
Introduction	1
Department of Labor and Industrial Relations	2
Industrial Research Advisory Council	5
Disaster Relief Agency	5
Hawaii Housing Authority	6
Department of Public Welfare	7
Department of Public Lands	8
Department of Public Instruction	9
Bureau of Sight Conservation	11
Territorial Council on Veterans' Affairs	12
Department of Institutions	14
University of Hawaii	20
Department of Public Works	21
Department of Public Health	23
Agriculture, Forestry, Fisheries and Wildlife	26
Public Utilities Commission	29
Statehood Program	32
Hawaii National Guard	33
Public Archives	34
Public Libraries of Hawaii	35
Law Enforcement and Courts	36
Hawaiian Homes Commission	40
Government Service	41
Employees' Retirement System	42
Hawaii Aeronautics Commission	42
Board of Harbor Commissioners	43
National Park Service	44
Population Trends	46
Federal Security Agency	48
Public Finances	48
Commerce and Business, Calendar Year 1949 (Compiled by the Chamber of Commerce of Honolulu)	57

Annual Report of the Governor of Hawaii

Ingram M. Stainback, *Governor*



INTRODUCTION

AS THE 1949-50 fiscal year came to a close it became increasingly apparent that Hawaii was on the road to recovery from a severe but temporary economic slump. This slump was due to a number of causes including the drastic cutbacks in employment of civilian labor by military and naval establishments and the 6 months' stevedoring strike of 1949.

The financial situation of the Territory at the end of the year was not so bad, and the employment picture was a great deal brighter than it had been for some months. Labor-management relations were excellent and there was hope for prolonged industrial peace.

During the year good work in meeting the problem of unemployment was done by the Governor's Full Employment Committee. In addition, some progress was reported on the over-all study of Territorial industrial possibilities and potentialities by the Industrial Research Advisory Council appointed by the Governor in October 1949.

In March 1950 the Governor activated the Territorial Disaster Relief Agency, as provided for by Act 320 of the 1949 Legislature. William B. Cobb was appointed Director of Disaster Relief and under his supervision a Territory-wide disaster relief plan was prepared.

As the year ended, Hawaii was entering what well may be the final stage of its long fight to become a State. The drafting of a Hawaii State Constitution by 63 delegates representing all islands of the Territory was nearing completion. It was pointed out that favorable action by the Congress on the statehood enabling act would find the Territory prepared to assume the responsibilities of statehood. The proposed State constitution was scheduled for presentation to the voters of Hawaii at the regular general election of November 7, 1950.

More than 50,000 persons from the mainland of the United States visited Hawaii during the past year and it was estimated that these visitors spent approximately \$30,000,000 in the Territory. Hawaii is becoming increasingly popular as an all-year-round vacation area.

A highlight of the year which attracted many visitors was the spectacular eruption of Mauna Loa on the Island of Hawaii on the night

of June 1, 1950. Within 3 hours a mighty stream of lava flowed 14 miles to rush into the sea with a deafening roar accompanied by great billows of steam extending miles into the sky. The flow of lava continued for some time, thereby making it possible for thousands of persons to view this awesome spectacle.

Health conditions in Hawaii were excellent. There were no serious outbreaks of disease.

Hawaii's major agricultural industries enjoyed a prosperous year. The largest crops of sugar and pineapples in 3 years were marketed in 1949. The total for the sugar crop was 995,890 tons, while the pineapple crop totaled 23,745,873 cases of fruit and juice.

More than \$12,000,000 in public works was carried out by the Territory during the past year. This work took up much of the slack in the construction industry caused by the reduction in military and private construction.

The public-school enrollment increased from 86,835 in January 1949 to 90,786 in January 1950. The University of Hawaii had an enrollment of 5,862 regular students and 4,796 enrolled in extension courses, a gain of nearly 2,000 over the previous fiscal year.

The United States census, taken as of April 1, 1950, placed the population of Hawaii at 493,348 as compared with 423,300 in 1940.

General progress was noted by all departments of the Territorial Government as reflected in the following reports to the Governor.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

Hawaii was faced with a serious unemployment problem throughout the fiscal year ended June 30, 1950. However, as the year ended, conditions showed signs of marked improvement.

The unemployment situation became so acute that the Assistant to the President declared the Island of Oahu a distressed area of unemployment in November 1949. The cities of Hilo, on Hawaii, and Wailuku, on Maui, were shortly thereafter designated as distressed areas of unemployment.

The basic reasons for unemployment in the Territory were:

(1) Drastic cutbacks of the civilian force in the military establishments;

(2) A prolonged waterfront strike that lasted from May 1949 until November 1949;

(3) Increased mechanization in the sugar and pineapple industries.

The Governor's Full Employment Committee, composed of 14 representative citizens from labor, management, and public life, was appointed December 1, 1949, to formulate and coordinate a comprehensive program for the alleviation of unemployment. The mem-

bers of this committee, who serve without compensation, met weekly for several months while exploring all areas in which increased work opportunities might be developed.

One of the first matters to which the committee turned its attention was the placement of local workers on Pacific military construction projects.

Insofar as Navy contracts were concerned, the Chief of the Bureau of Yards and Docks directed all contractors in the Pacific to recruit first in Hawaii and allow the department's employment service 10 days in which to certify those skills and occupations not available locally. As a result of a request to the Atomic Energy Commission, the contractor for the Eniwetok project opened a recruitment office in Honolulu; and General MacArthur, at the instance of the committee, directed that the first consideration be given Hawaii by Army and Air Force contractors recruiting workers for the forward areas.

Public works programs for the Territory and for the city and county of Honolulu were reviewed and the departments concerned were encouraged to expedite the letting of contracts for which funds had been voted.

The committee received reports on many phases of industrial development in the Territory, such as the utilization of sugarcane by-products and the expansion of handicrafts. Attention also was given to the problems of the fishing industry and to the possibility of increasing production of papaya, macadamia nuts and other agricultural commodities.

In the last 5 months of the fiscal year the unemployment situation improved markedly, to the extent that on June 30, 1950, only 12 percent of the labor force was unemployed as contrasted with 17.3 percent on January 31, 1950.

Although the rise in unemployment reached serious proportions in 1949, there were basic reasons extending back a considerable number of years which resulted in this situation. A very important cause of unemployment lies in the mechanization of both the sugar and pineapple industries over a period of years, with a resultant decrease in their employment from about 50,000 in 1935 to around 25,000 in 1949. This one factor would have had a marked effect on unemployment much sooner had it not been for the war period when a labor surplus was nonexistent; and in the immediate postwar activity resulting from the lifting of wartime restrictions, and the receipt of materials, particularly construction materials, which were unavailable during the war.

Another factor which contributed very markedly to unemployment was the decrease in the civilian force by the Armed Forces in the

Territory of Hawaii from a peak of about 55,000 at the end of the war to a low of about 15,000 in the spring of 1949.

When the water-front strike occurred at the beginning of May 1949, its effect on the economy of the Territory was added to the two longer-range causes listed above, and the result was an increase in unemployment from 13,000 as of January 1, 1949, to a total of 33,700 as of November 1949, the termination of the water-front strike.

On February 1, 1950, there had been very little reduction and unemployment amounted to 33,450 persons, or 17.3 percent of the labor force. However, commencing with February 1950, unemployment decreased each month until on July 1, 1950, the total had been reduced to 23,132, representing 12 percent unemployed in the total labor force in the Territory.

The causes of this decrease in unemployment were varied, one of the important causes being a substantial increase in construction throughout the Territory. Another factor which contributed materially towards this improvement was the large number of tourists arriving throughout the 5-month period, to the extent that practically all of the hotels were filled to overflowing, and service industries benefited considerably. Substantial out-migration in excess of immigration was another factor.

Unemployment insurance payments to industrial workers during the year totaled \$4,972,711, which amount exceeds the combined total of all payments made in the past 11 years of the administration of this program. In addition, \$1,187,141 was paid to veterans under the servicemen's readjustment allowance program in the past 12 months, making a grand total of \$6,159,852 received by persons unemployed and seeking employment throughout the Territory.

The prospects for labor peace seem good, particularly if there is a cessation of stoppages of the "Quickie" variety, of which there were 13 during the fiscal year. There seems to be a genuine desire on the part of both labor and management to reconcile their collective-bargaining differences without resort to economic action.

Over 10,000 minors were registered for pineapple cannery work during the summer months. Of this number it was estimated that less than 10 percent would be given employment. Reflecting the economic condition of the Territory, child-labor certificate issuance continues to decline, while the number of wage claims filed with the department remains high.

Average weekly earnings of industrial workers for the first half of the fiscal year compared favorably with the past 2 years. Approximately 94,000 workers averaged \$50 per week, or \$2,600 for the calendar year 1949.

Industrial injuries continued at a high level. There were 21,000 injuries and occupational diseases reported during the year to the Bureau of Workmen's Compensation.

The Territorial Apprenticeship Council increased the number of active programs by 18 percent over the prior year in spite of the adverse economic conditions prevailing throughout the fiscal year. Thirty-five apprentices were graduated upon completion of their training.

INDUSTRIAL RESEARCH ADVISORY COUNCIL

In October 1949, in accordance with Act 122, Session Laws 1949, the Governor appointed an Industrial Research Advisory Council of seven members. In broad terms, the duties and responsibilities of the council are: To survey the field of industrial research; formulate a program or programs of industrial research; allocate money from available appropriations authorized by the act; and to publicize the results of its activities from time to time as appears feasible.

Research projects undertaken by the council cover a wide range of activities including:

(1) Scientific field study and laboratory experiments to develop new products and improve existing products made from fruit, vegetables, and forest products;

(2) Market research to determine possibilities for expanding mainland consumption of Hawaiian fruits, vegetables, flowers, and ornamental foliage;

(3) Laboratory and field studies to identify and overcome conditions which adversely affect the export marketing of Hawaiian products of the field and forest;

(4) Reconnaissance survey of all known methods for destroying the Oriental fruitfly, its eggs and larvae;

(5) Engineering studies to improve the design and operation of vapor heat treatment plants.

The council is receiving the wholehearted cooperation of private concerns and individuals in its research program to benefit the island economy. It is also receiving active cooperation and assistance from various Federal agencies interested in various projects.

DISASTER RELIEF AGENCY

The regular session of the Territorial Legislature in 1949 enacted Act 320 providing for the creation of an agency to be known as the Disaster Relief Agency and appropriating funds for its implementation.

On March 8, 1950, the agency was activated by the appointment as director of William B. Cobb, formerly Territorial surplus property officer for Hawaii under the Department of the Interior. An advisory council of seven men was appointed shortly thereafter as contemplated by the act.

A Territorial disaster relief plan has now been prepared and is designed to provide prompt action in combatting disasters which might conceivably occur in the Territory, including peacetime catastrophes as well as those borne of war. Three of the four counties in the Territory have formulated their detailed plans along the lines suggested in the Territorial plan and the fourth county is now engaged in completing its disaster relief plan.

When such county and local plans are coordinated, the Territorial program will be revised and redrafted in the form of a directive for promulgation as the Territorial disaster relief plan. It is expected that the civil defense plan of the National Security Resources Board will be available in the near future and the program in the Territory will be modified to conform with the national program in essential respects.

Since the implementation of the Disaster Relief Agency in March of 1950, five individuals have been sent to the mainland of the United States for training and indoctrination in radiological warfare, medical care and treatment of casualties, and observing the operation of the Seattle civil defense plan in a recent exercise held in that city.

In the evolution of the disaster relief plan in the Territory, suggestions have been solicited from all participating agencies and the public response has been most gratifying. There appears to be a great deal of public interest in the disaster relief program, which is quite natural in this area because of the experiences undergone by the people here in the period immediately following December 7, 1941. It is believed that planning for disaster relief in the Territory is considerably advanced over that in most areas of the mainland and that effective means could be promptly taken to alleviate distress and save lives if disaster should strike at any point in the Territory.

HAWAII HOUSING AUTHORITY

During the past year the drastic housing shortage in the Territory was mitigated slightly.

Many new homes were constructed by private enterprise, 325 additional dwelling units were provided by the Hawaii Housing Authority, and the population of the Territory decreased by 2.3 percent during 1949.

Small-size families profited by these changes. Studios and one-bedroom units were easily obtainable for high rents but current rates show a downward trend. Families requiring two or more bedroom units were less fortunate, and because of the scarcity of accommodations and exorbitant rental rates, large families continue to live under distressed conditions.

Current information relative to substandard housing in Hilo and Honolulu, obtained through two surveys made by the authority in December 1949 and June 1950, gives data on 2,044 dwellings in Hilo and 26,648 dwellings in Honolulu. Of the 1,606 occupied privately owned dwelling units in Hilo, 783 were substandard. In Honolulu, out of 22,561 occupied privately owned dwelling units, 10,507 were found to be substandard.

The authority is presently administering 4,737 dwelling units, of which 4,376 are temporary housing, and because of the housing shortage, these will not be deprogrammed in 1950-51.

All future construction being planned is of a permanent type in two classifications: those constructed with Federal funds and requiring Public Housing Administration approval in all matters; and those independent of PHA, constructed wholly from funds provided by the Territory. The permanent 82-unit project being constructed with Territorial funds will be completed and ready for occupancy January 1, 1951. Plans and specifications are now in preparation for 364 units at Mayor Wright homes. One hundred fifty units at Lanakila Homes, Hilo, Hawaii, will be under construction about October 1, 1950.

DEPARTMENT OF PUBLIC WELFARE

The greatest rate of increase in the number of persons needing financial help, the largest number of persons ever served by the Welfare Department in any one year, and the highest public welfare costs in any one year marked the three all-important developments in public welfare during the year. This has been brought about by the tightening employment situation, by the continued high cost of living, by strikes, by the changes in the plantation economy, and by other economic and social factors.

Applications for public welfare help were the highest in the history of the department, averaging 885 per month during the fiscal year; the number of persons receiving help reached the highest peaks in the department's history, averaging 22,577 persons monthly.

The number of persons assisted by the Welfare Department increased 67.7 percent in a year, from 15,847 persons in June 1949,

to 26,573 persons in June 1950. The amount spent in money payments to these recipients in June 1950 was \$684,088.14, or 64 percent more than a year ago.

The tremendous growth in public welfare since the end of the war is shown by the fact that in June 1945 (VE-day) 5,200 persons were aided by the Welfare Department. Five years later, in June 1950 there were 26,573 persons—more than 5 times as many persons—financially dependent on the Welfare Department.

Based on the month of June 1950, it was estimated that 4,388 male breadwinners could have worked to support their families if there had been jobs for them in the community. For these 4,388 breadwinners who could work and for their dependents, the department spent a total of \$325,361 in June. About half of the unemployed persons on public welfare who could work were between the ages of 17 and 44. Significantly, a large portion were between 45 and 64, the group to whom employment opportunities are the last to be made available.

About 60 percent of the persons assisted financially by the department are children.

Of the total 26,573 persons receiving financial help in June, 1950, 2,716 persons were needy aged and their spouses; 111 were needy blind; 11,871 were dependent children cared for in 4,009 homes of parents and close relatives; 1,065 were children under foster care in foster family homes or in institutions, and 6,801 were other needy persons who do not fall into the above classes.

The average monthly payment per person was \$25.03 for the fiscal year 1950, compared with an average monthly payment of \$26.09 per person for the fiscal year 1949. The lower payment for the year 1950 reflected a 10 percent reduction in payment made in October 1949 to stretch available funds.

During the year ending June 30, 1950, the department expended a total of \$8,076,293.76 in Federal and Territorial funds for its total operations. Of this amount, \$554,992 was for medical and hospital care for welfare recipients. These expenditures compared with a total expenditure of \$5,225,857 for the 1949 fiscal year.

The Public Welfare Board, established by the 1949 Legislature, was appointed by the Governor in November 1949. This board has power in making policies in connection with the standards of assistance and with eligibility requirements.

DEPARTMENT OF PUBLIC LANDS

In line with the administration's policy of encouraging home ownership, the Commissioner of Public Lands during the past fiscal year

continued work on a program designed to make suitable public lands available for sale.

A total of 163 house lots and business lots were disposed of by the Land Commissioner with the requirement that the purchasers thereof construct thereon improvements in the aggregate sum of \$1,108,660. In addition, 16,702,170 acres of public lands were leased for agricultural, pastoral, business and house lot purposes for which the Territory receives an annual income of \$87,411.09.

As a means of encouraging home building, the Land Commissioner has adopted a liberal payment policy. Territorial lots can be purchased for cash or on the installment plan for as little as 10 percent down and the balance to be paid in nine equal annual installments, with interest at 4 percent on any unpaid balance.

The most significant sale of the fiscal year was the disposition of 20,000 square feet of land at Kapalama, Honolulu, Oahu, to the Pacific Refiners, Ltd., for \$35,000. This property is restricted to use for factory purposes in accordance with the Organic Act. Improvements costing more than \$500,000 are to be constructed. Adjacent to the area purchased from the Territory, the company has leased from the Board of Harbor Commissioners 3 acres of land on which warehouses and other structures will be constructed at a cost of \$1,200,000.

One hundred sixty-seven deeds to and from the Territory of Hawaii were executed during the past year. Of the number mentioned above, 25 were exchange deeds, 11 requiring the issuance of patents. By these exchanges, the Territory acquired a total area of 2,534.27 acres in exchange for 66.43 acres plus a cash consideration of \$45,951.71 paid by the Territory to equalize the conveyances. One hundred twenty-two were straight deeds whereby the Territory acquired privately owned lands required for public purposes, having a total area of 85.973 acres, for which was paid a total cash consideration of \$1,149,021.50. The Territory of Hawaii conveyed to private individuals, an area of 31.739 acres of land for a consideration of \$2,497.41. Twenty were condemnations whereby the Territory acquired a total area of 264.888 acres for a total cash consideration of \$154,223.49.

DEPARTMENT OF PUBLIC INSTRUCTION

One of the most significant factors affecting the public schools has been the increase in enrollment during the past few years and the data on birth rate and population give a strong indication that this trend will persist during most of the decade ahead. One evidence of this trend is shown by the following first grade enrollments giving the total number of children in the first grade in all public schools throughout the Territory in January for each of the past 3 years:

1947 -----	7, 696
1948 -----	8, 425
1949 -----	9, 732

These increasing enrollments will become cumulative as far as total school enrollment is affected as children move up into higher grades year after year. The total public school enrollment has increased to 90,786 as of January 1950, compared with 86,835 a year ago. The distribution of this total among the various grade levels is as follows:

Kindergartens -----	4, 731
Elementary school grades (1-6, inclusive) -----	47, 412
Intermediate school grades (7-9, inclusive) -----	19, 777
Senior high school grades (10-12, inclusive) -----	17, 499
4 vocational schools and special classes -----	1, 367
<hr/>	
Total enrollment -----	90, 786

Definite steps have already been taken to meet the problem of the school buildings that will be needed to take care of the increasing school population. The 1949 session of the Territorial Legislature authorized the issuance of bonds in the amount of \$7,650,500 for the construction of new school plants and additions to existing plants. Of this amount, \$5,000,000 is for the city and county of Honolulu. The remainder is for school construction in the counties of Hawaii, Maui, and Kauai. Some of this construction is already under way and a large part of it will be completed before the end of the biennium.

The various divisions of the Department of Public Instruction have continued to improve the scope of their work. Fifty-one additional kindergarten teachers were added in the first year of the biennium and an additional 53 are authorized for the second year, making a total of 104 more kindergarten teachers than at the close of school a year ago. Approximately 62 percent of the children of kindergarten age in the Territory will be receiving instruction in the public schools by the close of the biennium.

The past 5 years have shown a steady increase in the number of adults receiving organized instruction throughout the Territory. The first year, 1946, registrations totaled 3,000. This year's figure of 11,228 shows the growing demand for adult education. Courses offered include basic English, citizenship training, high-school courses, cultural and recreational classes. Fifty-nine public schools operated evening programs for adults, one-third of the cost being paid by tax appropriation and two-thirds being paid by student tuition fees. The adult division works closely with other community agencies, and with the Veterans' Administration in training and rehabilitation of veterans.

There is a continuing demand for expansion in vocational education from students, parents, employers, and organized labor. Plans to meet specific demands for training in fishing, plumbing, and masonry are being developed. Lack of shop facilities and funds for the employment of additional instructors resulted in the turning away of approximately 400 well-qualified vocational school applicants during the year. Enrollments have increased in vocational agriculture, homemaking, and business training courses throughout the Territory. Veterans training in agriculture has increased markedly during the year.

The number of foreign-born students in the public schools is not significantly greater than last year. Out of a total enrollment of 90,786, all but 774 (0.852 percent) were born under the Stars and Stripes.

Children of school age (kindergarten through grade 12) in 110 private schools number 24,200. Of these only 222 (0.917 percent) were born outside the United States.

BUREAU OF SIGHT CONSERVATION

Fifteen years ago on November 1, 1935, the Bureau of Sight Conservation and Work with the Blind was created by the Territorial Legislature as a Department of the Territorial Government, charged with the responsibility of locating the blind, investigating their social, medical, financial, educational, and vocational problems, and developing a program to meet their needs.

In addition, the bureau was charged with the responsibility of developing a prevention of blindness and sight conservation program within the Territory.

The initial staff of two persons has been expanded to 38 employees, with bureau offices established in the counties of Kauai, Maui, Hilo, and Kealahou, Hawaii, the city and county of Honolulu, and the territorial offices in Honolulu.

Services which were given to 21 registered blind on Oahu in the month of November 1935 were made available in June 1950 to 580 persons approved as medically blind.

The earnings of the shop for the adult blind have been sufficient to pay a living wage to the blind employees (the annual payroll for the fiscal year 1950 amounted to \$22,241.33), the salary of the foreman, and in addition has accumulated over the years a balance of roughly over \$21,000 which is used as a revolving fund for purchase of raw materials, equipment, and other shop necessities.

This year the shop has been used as an adjustment center for pre-vocational training, psychotherapy and work-conditioning of visually handicapped persons in the process of vocational rehabilitation under the Federal program.

The outstanding challenge of the fiscal year 1950 was the registering of eight new blind babies, a decided increase from former years. The bureau directed its effort to obtaining the cooperation of parents, ophthalmologists, physicians, and hospitals to correlate findings on reasons for the increase. A staff member on educational leave in Boston studied this specific problem. Retro-Lental-Fibro-Plasia is the name given to a condition which results in blindness which is apparently related to premature births, and which does not necessarily appear at birth but shortly thereafter.

As a result of the bureau's investigation a procedure for continuing eye examinations for all premature babies is being set up in hospitals and all current information made available to physicians.

The need for preschool training of blind children has long been recognized. A very successful cooperative program has been developed this year with the Sultan Foundation School for Crippled Children for preschool training of young blind children.

The problem of unemployment has directly affected the vocational rehabilitation services of the bureau which trains blind persons for placement in private industry. The interests of the entire community were focused on this situation by the National Employ the Physically Handicapped Week program in October 1949 in which the bureau participated.

The vocational rehabilitation services attempted to meet this need by training blind persons in home industries and individual enterprises. Others were trained and placed as vendors, as efforts were successful in investigating and obtaining new locations for stands.

Other primary services of the bureau such as vision testing of all school students, eye medical follow-up, organization of rural eye clinics, group activities for visually handicapped persons (community education through fairs, exhibits, the annual Sight Conservation Week and eye health posters contests sponsored by the Lions International, District 50), were carried on successfully during the year.

TERRITORIAL COUNCIL ON VETERANS' AFFAIRS

The year 1949-50 has again been an extremely busy one for the Territorial Council on Veterans' Affairs. This fifth year of the council's operation saw a decided increase in the demands for service made upon it by Hawaii's veterans.

More than 26,000 veterans, an increase of 30 percent over the previous year, used the services of the council's four offices during the year.

During this period unemployment increased to an alarming high in November due to various causes, but has steadily receded since then. During the peak unemployment, it was estimated that 6,600 veterans were among those without jobs.

In July 1949, most veterans drawing unemployment benefits lost this source of income because it was then 2 years after the declared end of the war, when eligibility for unemployment benefits ceased for all veterans discharged before the declared end of the war. Hawaii's veterans have been moderate in their participation of the unemployment benefit program. Over 60 percent of Hawaii's veterans never filed for such benefits. Less than 1.1 percent exhausted their benefit rights by drawing all 52 weekly payments. Although the potential amount payable Hawaii's veterans (if all drew the full amount) was about \$35,000,000, less than 12 percent of this amount was paid out.'

With the cut-off of unemployment benefits and the impossibility of getting jobs, hundreds of veterans attempted to get further training. The number of veterans seeking educational and vocational counseling rose 60 percent over the previous year. In all, nearly 8,000 veterans were tested and/or counseled on educational and vocational matters.

Hundreds of veterans have received high-school diplomas as a result of tests passed at the council offices; others have been assisted with contacting and qualifying for educational facilities here and on the mainland, while trade and occupational training assistance has been given to hundreds of others.

Further payments have been made to disabled Hawaii veterans eligible for the Territorial disabled veterans bonus. A total of 2,178 veterans have been paid so far. Of the \$673,200 appropriated for this bonus fund, \$20,250 remains. The deadline for filing is June 30, 1951.

More than 2,000 veterans were assisted in applying for State bonuses in those States where they lived prior to coming to Hawaii.

Toward the end of the year, construction was started on homes for two Oahu paraplegic veterans. The Federal Government makes a grant of one-half the cost of a home for paraplegic veterans, the half not to exceed \$10,000 in any one case. The Territory has authorized the payment of the other half of the cost of such home so that no cost will inure to the veteran.

Although the extreme pressure for housing, so widely felt at the end of the war, has lessened considerably, there is still a great need for more low-cost public housing among the veteran population.

Sometime ago the Federal Government made available to veterans with certain types of severe leg injuries automobiles not to exceed \$1,600 in cost. Because no new car could be purchased in Hawaii for this amount, the Legislature appropriated money to be used to pay the transportation cost of the cars for these eligible veterans. The council, in administering this fund, has paid for the transportation of cars to Hawaii for 50 eligible veterans in the amount of \$17,842.

The past year saw the near completion of the program to repatriate Hawaii's World War II dead. Nearly all the remains of Hawaii's deceased servicemen have been buried either in the Punchbowl National Cemetery or the veterans' cemeteries on Hawaii, Maui, and Kauai.

In the past year the War Claims Commission in Washington was finally able to accept claims from civilians and former military personnel. We assisted about 200 claimants who suffered losses of various kinds at the hands of the enemy during the war.

DEPARTMENT OF INSTITUTIONS

The construction program started in the previous year has progressed very satisfactorily during this fiscal year in spite of delays occasioned by a protracted waterfront strike which made it impossible to secure mainland deliveries for the first 4 or 5 months of the year. Completed or nearly completed are the new treatment unit at the Territorial hospital, the new 100-bed hospital at Waimano Home, new water system at Waimano Home and Koolau Boys Home at Kailua. Just as the year closed contracts were let for a new boiler house, laundry, kitchen, and dining room at Waimano Home.

Office of the director.—As in the past, the office of the director has operated on a very narrow margin, slightly more than 2.3 percent of the budget for the entire department.

Territorial hospital.—The Territorial hospital serves the mentally ill of the Territory. The past fiscal year has seen further advances in the expansion and improvement of all our medical facilities. The hospital is now definitely established as an active treatment center. All recognized and proven procedures of diagnosis and therapy of the mentally ill are being employed at the present time with most gratifying results. A new educational department of psychiatric nursing, under the direction of a qualified educational director, has been added to our existing facilities.

During the past fiscal year, 509 patients were admitted to the hospital as compared with 436 during the previous year. This was the highest number of admissions in the history of this hospital. Of this total, 426 were first admissions—an all time high—as against 368 first

admissions in the previous year, and 83 were readmissions. During the same year, 197 patients were fully discharged and 404 patients were conditionally discharged, to give a total of 601 patients released from the hospital. Some 154 patients were returned from conditional discharge, most of them for an additional course of treatment and a short period of time only. The patient population at the end of the fiscal year was 1,055 as compared with 1,058 at the beginning of the year.

The outstanding event of the year was the dedication of the new treatment center, the Oscar F. Goddard Hospital, entirely dedicated to an intensive treatment program of all new admissions. It will accommodate 218 patients.

A total expenditure of \$1,522,413.44 was made for an average daily patient population of 1,087. The per capita per diem cost was \$3.83 as compared with \$3.03 during the previous year. Of this amount, however, 58.48 cents was spent for capital outlays, thus reducing the actual per capita per diem rate to \$3.25. There was a total staff of 249, giving a staff-patient ratio of 1 employee to 4.36 patients.

Waialeale Training School for Boys.—Authorized in 1900 and opened in 1903, Waialeale Training School for Boys has received delinquent boys ranging from 12 through 17 years of age from all islands. While commitments are not made of boys 18 years and older, boys, once committed, are under the control of the training school until they reach majority unless sooner discharged by order of the director of institutions.

Correctional treatment and training is stressed with special emphasis placed on helping the boy to meet his own problems in society instead of returning him to society at majority, confused, frustrated, and embittered, to become a potential candidate for admission to the penitentiary.

The population throughout the fiscal year has shown a decided downward trend, with a daily average of 131 boys as compared with 186 for the previous year. The average staff during the year was 29.64 members, giving an ideal staff-boy ratio of 1 to 4.43. Total expenditures were \$212,688.17 for an average daily cost per boy of \$4.24. Thirty-five new commitments from the courts were received as against 40 for the previous year. Escapes for the year numbered 14 as compared with 29.

A diversified vocational program including carpentry, plumbing, electrical work, auto mechanics, farming and livestock raising has been actively carried on. The manufacturing of Koa furniture from raw materials supplied by the prison lumbering project has greatly enhanced the training of the boys. Participation in recreational

activities, particularly the intramural sports, has been actively encouraged; with the result that a very large percentage of the wards have entered competitive sports to a greater or lesser degree.

During the 1947 legislative session, through Act 205, authorization was made for an entirely new school for younger boys at Kailua which will be ready for occupancy in August 1950. The older boys will also be quartered there temporarily. However, plans are under way for the erection of a CCC type of school on the slopes of Mauna Loa on the Island of Hawaii which is scheduled to be completed in July 1951. The present site at Waialeale will be abandoned as a training school, thus ending nearly 50 years of operation at this location and bringing to fruition the first step in the program of greater segregation of delinquents and more effective training programs for all age groups.

Kawailoa Training School for Girls.—The population for the fiscal year ending June 30, 1950, was 104. This represents commitments by islands for the year as follows:

	New admissions for 1949-50	Over-all population
Juvenile Court, First Judicial Circuit (Oahu)	25	75
Juvenile Court, Second Judicial Circuit (Maui, Molokai, Lanai)	3	7
Juvenile Court, Third and Fourth Judicial Circuit (Hawaii)	4	19
Juvenile Court, Fifth Judicial Circuit (Kauai)	2	3
Total	34	104

The latest trend included in the Mittimus that is issued on each commitment is that more referrals for psychiatric diagnosis and treatment are included by the courts. Therefore, the outpatient service provided for by the Territorial hospital to this institution is very urgent. However, the psychiatric services have hit a stalemate because of the lack of professional staff to handle the Territorial hospital's own admissions for treatment. Psychiatric services of wards from this institution have continued at a minimum at the hospital. The most urgent cases are referred whenever there are vacancies for providing treatment at the hospital. Psycho-therapy was started actively on a weekly basis at Kawailoa early in June 1948 and then discontinued due to lack of personnel and the pressure of work at the Territorial hospital in April 1950.

The over-all cost of care and supervision per ward per day for this fiscal year period was \$5.81. The daily cost showed a 40 percent increase over the per diem cost per ward of \$4.15 for the 1948-49 fiscal year. The per diem per ward cost for personal services amounted to \$3.79 and for other current expenses \$2.02, as compared to \$2.49 and

\$1.66, respectively for the prior period. Contributing factors to the increase in costs were the increase in staff due to the shortening of working hours for the custodial force as approved by the 1949 Legislature and the notable reduction in ward population.

During the past year \$43,693.02 worth of provisions were consumed in the institution, of which \$31,795.50, or 73 percent, was produced by the school. Daily per capita subsistence cost for the year ending June 30, 1950, was \$0.9144. Daily cost of provisions purchased amounted to \$0.2465 per capita, daily cost of produce raised and consumed by the institution amounted to \$0.6655 per capita, while donated food accounted for a per capita daily cost of \$0.0024.

The Department of public instruction has provided two regular academic classroom teachers for the period from September 1949 to June 1950. These classes have been attended by 52 individuals.

First-aid and home nursing classes have been conducted by the registered nurse employed here. These classes have numbered 52 individuals during the last 6 months period.

Waimano Home.—Waimano Home, Territorial institution for feeble-minded and epileptic persons, completed an eventful fiscal year with much progress noted, particularly in regard to construction of new facilities to replace worn out and outmoded buildings and other units. These projects represent a total outlay of \$790,029.

A total of \$627,129.11 was expended for a daily average population of 665. Daily per capita cost for the fiscal year was \$2.57. Total staff at June 30, 1950, was 138, for an over-all staff-patient ratio of 1 to 4.8. The ratio of ward attendants was 1 to 8.8.

Patient population in the institution at the close of the period was 664, and 113 on parole. There were 16 admissions, 10 deaths, and 28 paroles during the period.

Farm production had a total value of \$111,977.05.

With a stepped-up parole program and radical changes in commitment procedures, resulting in a constantly increasing number of hospital cases, particularly in the infant class, types of treatment and staff requirements will materially change. Plans for such a long-range program are being formulated and will be effectuated as rapidly as possible.

Oahu Prison.—Throughout the Territorial penal system several developments and projects warrant special note. The partial implementation of a comprehensive training, classification and rehabilitation program is the most noteworthy in the treatment field. Many minor developments entered into this over-all program, the net result being substantial gains towards the functioning of an integrated, rehabilitation program. In the public service field, projects on the outer

islands have resulted in the addition of road facilities which would not have been undertaken because of excessive costs had it not been for the availability of prison labor.

Within Oahu Prison itself (the operating unit and system headquarters on Oahu) the production facilities and maintenance activities were expanded sufficiently to provide a training and production program capable of handling 20 percent of the inmate population. This percentage represents almost all the skilled and semiskilled inmates. Routine prison maintenance and support functions absorbed the efforts of the remainder of the available population. Raw materials from Kulani project, such as ohia and koa logs and hapuu tree fern provided basic supplies for many of the craft and production programs at the prison.

At Kulani Prison project on the Island of Hawaii, effort was concentrated on expanding logging and farming activities. A new road to the top of the active volcano Mauna Loa was initiated by prison labor as an added tourist attraction. Groundwork was laid for a new cross-island highway from Hilo to Kona to be constructed by the inmates at Kulani. Both these road projects are magnificent in scope and when completed will be active monuments to the efforts of the Kulani personnel. Inmate participation in these construction projects is closely integrated into the over-all rehabilitation and training program.

A road project by prison labor of similar magnitude is nearing completion on the Island of Maui. Upon completion it will provide the final link in the encircling road at the base of Haleakala.

Population in the penal system has shown a gradual increase over the past 4 years and indications point to a continued increase with a possible leveling action in 1953 or later.

Improved operations and methods; more efficient procedures and techniques, plus strict economies in all operating units, all have caused a decrease in per capita operating costs from \$3.58 to \$3.33 per individual.

Division of parole and home placement.—With the decrease in population in both Kawaihoa Training School for Girls and Waialeale Training School for Boys, it has been possible for the parole officers to devote concentrated time and effort to the supervision of parolees. This has resulted in a decided decrease in revocations and suspensions. A stepped-up program of precommitment supervision by the probation officers of the juvenile court has been of great help in holding down the population at the two training schools. Psychiatric services of the Territorial hospital have helped to smooth out many of the problems arising from emotional disturbances of both the wards in

the schools and on parole. These three factors have demonstrated that working together as a team it is possible to prevent the failure of many youngsters on parole and to hasten the parole periods of those in the training schools.

The division of parole and homeplacement has provided post-institutional care and supervision of 576 wards of the department of institutions during the current fiscal year for an average per capita per diem cost of \$0.667.

A total staff of 18 full-time employees has given us a ratio of 1 to 26 for supervision of delinquents and 1 to 47 for supervision of the feeble-minded. The total expenditures for the division of parole and homeplacement amounted to \$94,903.85 for the fiscal year.

Board of paroles and pardons.—The board of paroles and pardons, in its eleventh year of operation, is charged by law with the fixing of minimum terms of imprisonment and the paroling of adult felons. In addition, the board considers and makes recommendations to the Governor in connection with petitions seeking restoration of civil rights through full and free pardons.

Twelve regular meetings and one special meeting were held during the year. In addition, the board made its annual visit to prison camps on the Islands of Maui and Hawaii and personally interviewed a considerable number of prisoners who were desirous of being heard by the board.

During the year, there were 210 releases on parole against 131 discharges, increasing the total on parole to 918 persons, an increase of 32 over the previous year. Out of the above total, 570 were within the Territory and being supervised by four paid officers in Honolulu, one paid officer on the Island of Hawaii, one voluntary nonpaid officer on the Islands of Molokai and Kauai, and two nonpaid officers on the Island of Maui. Of the remainder, 331 were out of the Territory, 11 in other institutions throughout the Territory, and 6 in the Armed Forces, supervision having been waived in these latter cases.

Paroles were revoked in 50 cases, an increase of 22 over the previous year. Minimum sentences were fixed in 237 cases, also an increase over the previous year of 65.

The total expenditures of the board for the year amounted to \$53,042.03. With the total parolees at some time during the year (1,116) as a basis, the per capita cost of all activities of the board was \$47.53. With parolees out of the Territory excluded, the per capita cost amounted to \$95.23, showing, therefore, that parole is not only a sound method of protecting the community and in aiding released prisoners, but economical as well.

THE UNIVERSITY OF HAWAII

In common with most State universities, the University of Hawaii has been "bursting at the seams" for the last four years. In 1945 the university had classrooms and laboratories adequate for about 2,500 students. With the growth of the Territory's population in the last 10 years, with the increased number of high schools and high-school graduates, and with the interest in the university as a national and international institution of higher learning, we are compelled to believe that our enrollment figures will increase gradually until 1956 when we may expect another sharp upward curve. Adequate facilities, therefore, are of prime importance.

The completion of the new administration building in December 1949 permitting all the administrative offices to be housed in one place, gave some relief. Hawaii Hall was reconstructed into that which it was originally intended to be, a classroom and office building. When the chemistry building, now under construction, is completed, the university will have more instructional facilities. But not until a new library and a classroom building are erected will the university be enabled to carry out its mounting responsibilities to the full, or to dispense with the temporary "shacks" that disfigure the campus. The 54-acre area known as the quarry, contiguous to the campus, will be used solely for athletics and for health and physical education, and classes are already being held there.

The Legislature and the Governor have enabled the university to expand research facilities in agriculture. The 22 acres acquired from the Mid-Pacific Institute are now being used for this purpose and for instruction. During the year, the Land Commissioner, with the approval of the Governor, assigned to the university 194 acres in Waimanalo for an experimental farm. In 1943 the office of experiment stations, Washington, permitted the university experiment station to give up its Pensacola lands to the Territory, with the understanding that the lands and buildings would be replaced by the Territory. The buildings have not yet been replaced; the Waimanalo lands replace the Pensacola lands.

Research was continued on a high plane, and several new projects were undertaken, among them: (a) Fisheries, for which the university now holds a lease to a part of Coconut Island; a laboratory has been reconstructed and the university's research ship, *Salpa*, provides materials. This project is an extremely promising one for the Territory. (b) The United States Fish and Wildlife Service is now completing a building on 2.8 acres of land given to the Federal Government by the University of Hawaii through proper adminis-

trative channels. Already the service scientists are operating three ocean-going vessels to gather materials for investigation. Students are expected to avail themselves of employment opportunities with Fish and Wildlife Service. (c) The Federal Government authorized the expenditure of \$450,000 for research in the Oriental fruitfly, one of the damaging insects brought to Hawaii during the war. The university allocated space on its campus and erected a building, and its scientists are available for cooperative work. (d) The Industrial Research Advisory Council has assigned to the university six projects to promote increased farm production and marketing facilities. It is hoped that the council will improve the Territory's economic condition. (e) In conjunction with the Bishop Museum, the university is preparing a dictionary of the Hawaiian language. (f) The university continues to extend its services into the Pacific. For the third successive year, it conducted a summer session on Guam in 1949. Many faculty members have served on the advisory committee on education for Guam and the Trust Territories, visited the area, and participated in advisory sessions held on the campus with officials on their way to these faraway communities.

A total of 5,862 individuals, exclusive of our training schools, enrolled in the university during the year. This figure represents a full-time equivalent of 4,250 for the first semester and 3,986 for the second semester. In addition, the university extension division enrolled a total of 4,796 students in 1949-50. The university budget amounted to \$3,805,519.54, made up of Federal funds \$397,843.57, Territorial \$2,544,750.97, and \$862,925 from university sources.

A hopeful sign of local recognition of the importance of the university was the gift of more than \$80,000 for the establishment of the Gerrit Parmile Wilder chair in botany.

DEPARTMENT OF PUBLIC WORKS

Public works activities, conducted at a record rate throughout the Territory, took up much of the slack in the construction industry caused by the great reduction in military and private construction. Without this large public works program, unemployment would have been even more critical than it was.

Actual bid lettings during the fiscal year totaled less than those of the previous year, although they were more than twice as great as those of any year in Territorial history. The volume of construction work, including projects delayed by the 1949 waterfront strike, was in excess of \$1,000,000 per month.

During the first 11 months of the fiscal year, payments to contractors totaled:

Highways	\$6, 799, 398. 05
Buildings and flood control.....	4, 248, 193. 89
Airports	526, 030. 90
Total.....	11, 573, 622. 84

This meant, in terms of employment, 2,650,000 man-hours of direct labor during the 11-month period. It also meant the accomplishment of many miles of highways and many necessary airports, buildings, and flood-control projects. Indirect labor—at the crushing plants, the planing mills, the hollow-tile and pavement plants, and in the wall board industry, to name a few—was also helped by this program.

New work placed under contract during the 1950 fiscal year was divided as follows:

Type	Number of contracts	Contract amounts
Buildings and flood control.....	31	\$2, 723, 314. 03
Federal-aid highways.....	28	7, 113, 099. 56
Airports.....	8	701, 619. 83
Total.....	67	10, 538, 033. 42

Additional highway projects would have been under contract except that right-of-way litigation held them up. At the end of the fiscal year, the Territorial highway department had complete plans for eight projects, with an estimated total cost of \$5,000,000, all delayed by lack of right-of-way. The key suit, in which the constitutionality of the Territorial eminent domain statutes was challenged, was being considered by the Territorial Supreme Court as the fiscal year ended.

In the Territorial highway department, annual costs for administration, operation, and maintenance were \$931,490.36, compared to \$915,121.04 for the fiscal year 1949. In the general public works field these costs were \$697,908.52 for 1950 and \$834,000.08 for 1949. Increased costs in highway activities were due to increased mileages completed and placed in the system during the year. The drop in public works expenditures is due, in part, to completion of certain special projects as well as the transfer of some custodial and operational services to another agency.

Besides the regular housekeeping of all internal improvements of the Territory, the department of public works performed special services for twenty other governmental departments.

DEPARTMENT OF PUBLIC HEALTH

With increased unemployment during the year and decreased income for many families, the need for information on food management increased. Emphasis in nutrition teaching by the nutritionists available to the health department was placed on education toward receiving the best health value for each dollar spent on food. Every medium was used to make this information widely available.

The same economic situation focused attention on the increased demand for medical care for those unable to pay for it privately. The fact that three agencies of the government are providing medical care for the needy without authoritative coordination has caused some difficulty in the administration of this service.

During the fiscal year ending June 30, 1950, the health of the Territory as reflected in the morbidity and mortality records of the communicable diseases was never better. There were no epidemics except for an outbreak of influenza, from November to February. The total number of deaths from these diseases totaled 193, the lowest ever recorded in the Territory during a 12-month period.

The value of the immunization laws is shown by the results: only 8 cases of diphtheria during the fiscal year with no deaths recorded in 5 years; 18 cases of whooping cough with no deaths since March 1948; and 3 cases of typhoid fever recorded with no deaths since October 1946. Only 10 years ago these 3 preventable diseases took 39 lives. It is also worth mentioning that the last case of smallpox reported in the Territory was in 1913, 37 years ago. During the past year, immunization against whooping cough has been intensified and vaccine protecting against this disease, as well as against diphtheria and tetanus, has been provided by the department of health. Earlier immunization against these diseases as well as against typhoid fever has been urged with excellent results. Intensified investigation against sources of other intestinal diseases has resulted in the detection and elimination of many carriers and other sources of infection with a corresponding fall in the number of cases, and plans are under way to include studies of the infectious pneumonias.

One case of human plague was reported in the Territory. This case, the first in 56 months, was reported from Haina, Hamakua District, Island of Hawaii. Intensive and large-scale rodent and

rodent flea suppressive measures were immediately undertaken for the protection of all persons residing throughout the known endemic plague region.

There were 107 deaths from tuberculosis during the fiscal year, making a provisional death rate of 22.5 per 100,000 population, as against a death rate of 25.7 during the previous year and 37 for the year before that. There were 639 cases of tuberculosis reported to the health department, compared with 875 and 1,496, respectively, for the 2 previous years.

The tuberculosis and heart and cancer programs were combined to the extent that arrangements were made whereby all significant chest lesions of the heart or lung found in mass X-ray surveys were recalled for further follow up even though tuberculosis was not considered diagnostically. Actually, more cardiac lesions than tuberculosis cases were discovered.

The health department's heart control program was started during this fiscal year with funds made available under the Federal grant-in-aid program. Activities to date consist principally of statistical studies, education for both lay and professional groups, and case finding through mass X-ray surveys.

The cancer control program was expanded as much as possible during the year but is still limited due to lack of funds other than Federal funds for its maintenance. The main field of expansion has been in providing diagnostic aid to physicians through tumor clinics and laboratory services. The cancer morbidity study under a special grant of the National Cancer Institute was continued during the year.

The management of the Hansen's disease program in the Territory was transferred to the board of health by legislative action, effective July 1, 1949. During the fiscal year the board adopted new public-health regulations regarding this disease, revising the previous regulations passed in 1928. The board also decided that no new patients would be admitted to the Kalaupapa settlement and adopted a long goal policy toward eventually admitting newly diagnosed cases to existing local hospitals near the residences of the patients. Patients formerly cared for at the Kalihi Hospital were moved in October 1949 to Hale Mohaku at Pearl City, and the Kalihi site was abandoned. The new location was made available to the Territory by the United States Navy under a revocable permit. The use of the sulphone drugs has shown remarkable improvement among the patients with Hansen's disease.

Individual cases of maternal and neonatal deaths in the Territory are now being studied regularly by an advisory committee of the Territorial Medical Society working with the bureau of maternal

and child health. The findings of the study in the Territory under the American Academy of Pediatrics on child health services has made a useful guide for direction of the maternal and child health program in the Territory.

Punch card tabulation equipment was installed in the health department under the bureau of health statistics and the statistical work of several bureaus had been converted into punch card methods of tabulation by the end of the fiscal year. It is expected that the rest of the bureaus will have their statistical work so converted within the next fiscal year. The regulations on health statistics were completely revised and brought up to date during the year. A single unit registration system was developed for the Islands of Kauai and Oahu.

Salmonellosis (a type of food poisoning caused by specific organisms) continued to be found in certain spots in the Territory. Facilities became available in the board of health during the year for determining the type of Salmonella organisms present, thereby expediting the diagnosis and treatment of this annoying though not fatal disease.

Through an increased appropriation of the Territorial Legislature, two public health veterinarians and one meat inspector were added to the staff of the health department. These personnel are working under the direction of the county health officer on the Island of Hawaii in conjunction with the county of Hawaii meat inspection program, which went into effect on October 1, 1949.

A new regulation relating to frozen desserts and frozen dairy products was adopted by the board of health. The main provisions of the regulation were based upon the proposed frozen dessert definitions of the United States Food and Drug Administration and the frozen dessert code of the Public Health Service. The regulation provides for an increase of the butterfat content for plain ice cream from the war standard of 9 percent butterfat to 12 percent. The need for this regulation had long been felt and it is anticipated that it will contribute materially toward assuring the public higher quality frozen desserts as well as more sanitary products.

The basis for the sanitary inspection work of the department continued to be the education of the public in the need for sanitary facilities and practices. It was necessary to resort to court action on only nine occasions to secure compliance with the health statutes and regulations. A major educational activity was a course on personal hygiene practices for food handlers, which was presented to practically all eating and drinking establishment workers throughout the Territory.

The department of health was designated by the Surgeon General of the Public Health Service as the State water pollution control agency for the Territory under the provisions of Public Law 845, the Federal Water Pollution Control Act. An allotment of \$9,978 was received for the fiscal year under the terms of the act, which allowed the department to expand its activities in industrial waste pollution control and research.

Act 270 of the 1949 Legislature authorized the board of supervisors of the city and county of Honolulu to issue bonds in the sum of \$4,500,000 for the construction of sewerage systems in the city of Honolulu. With the \$6,500,000 of bonds authorized by the 1947 Legislature, a total of \$11,000,000 is now available for the city's sewerage system expansion program, a greatly needed sanitary improvement. During the year, 10 projects were completed at a cost of \$1,852,000, while 8 projects to cost \$2,883,000 are under construction.

Field studies and infection experiments carried on during the past year in Pacific islands confirmed the fact that the night mosquito of Hawaii (*Culex quinquefasciatus*) is a potential carrier of Japanese B encephalitis. It appears that this mosquito was a likely vector in the recent outbreak of this virus disease in Guam. With this in mind, mosquito control measures were extended more actively against the night mosquito. The Aedes or day mosquito, the carrier of dengue, had previously received nearly the entire attention of the bureau of mosquito control. Fogging of certain built-up areas with insecticide solutions to kill adult mosquitoes was started during the year and was proven to be effective.

Survey radiation monitoring services were inaugurated by the health department to include studies of sources of X-rays, gamma rays, and alpha and beta particles. These studies were conducted in hospitals, dental offices, industrial plants, retail stores, research centers and other places where X-ray equipment and/or isotopes are transported, used, stored, or disposed.

AGRICULTURE, FORESTRY, FISHERIES, AND WILDLIFE

Natural resources and employment.—The serious unemployment situation which developed in the Territory during the year, largely as the result of decreased military activities, caused a general reexamination of the employment resources of Hawaii. The employment potentials of the soil, forests, and sea were critically examined in the light of present-day knowledge of crops, markets, and industries.

The land resources, where the soil is providing direct employment, fall in two general categories: (1) those under intensive cultivation and (2) those under extensive pasture use. A little over 7 percent of

the total land area of the Hawaiian Islands is under intensive cultivation. This area supports 90 percent of the agriculture population and produced 90 percent of the gross agricultural income in 1949. About 42 percent of the land area is used for pasture and supports approximately 3 percent of the agricultural population and produced in 1949 about 3 percent of the gross agricultural income. The balance of the gross agricultural income is derived from the dairy, poultry, and swine industries which depend almost entirely on imported feed concentrates.

It is obvious that further agriculture employment will depend upon bringing additional lands under intensive cultivation. Studies on current and potential land usages indicates that land, crops, and agricultural knowledge exist to increase the intensely cultivated areas providing markets can be obtained for the products.

The problem of markets for fresh produce is complicated by the perishable nature of tropical fruits, distance from markets, quarantine restrictions due to the presence of fruitflies in Hawaii and competition in the fresh-produce field. The problems of markets for processed products are fewer but they are, nevertheless, difficult ones. They are principally the perfecting of processing techniques for tropical fruits, consumer education, and maintaining a cost of production which is competitive with similar products already enjoying a good market. These limiting factors have been well recognized and the 1949 session of the Territorial Legislature appropriated special funds for intensifying studies to aid local products in meeting the marketing problems.

The utilization of forest products in recent years has been of minor importance in the employment and economy of Hawaii. The need for further employment has stimulated research in the use of tree fern fronds as a source of emulsifying agents and investigations in furthering handicraft enterprises which will utilize forest products such as tree fern stumps, coconut palm products, the leaves of native plants, bamboo and the rich grained native woods for objects of art. Attempts to organize the handicraft industry towards meeting problems of raw material supply, design acceptance, and cost of production were not successful. However, governmental assistance was provided through legislative appropriations to aid in promoting this work.

Further expansion in the field of fisheries in Hawaii is unlikely until new areas are discovered and methods developed for utilizing the fisheries of the Central Pacific. The Fish and Wildlife Service of the Department of the Interior has a large exploratory and research pro-

gram under way, with headquarters in Hawaii, which should point the way towards expanding the fishing industry.

Agricultural highlights.—Weather conditions favored good yields of both sugar and pineapples although some areas suffered abnormally from drought conditions. Crop and animal pests remained under good control and losses suffered from the were not abnormal.

The coordinated research in the control of fruitflies through the joint efforts of the United States Department of Agriculture, State of California, and Territorial agencies completed the first year's work. The accomplishment of the joint program has been extremely gratifying and a much better understanding now exists on how to combat these flies in Hawaii and any other area where they may gain a foothold. A noticeable decrease in the Oriental fruitfly population was recorded during the year and is attributed to parasites introduced the previous year.

The African snail which has been in Hawaii since 1936 continued to receive control attention and natural enemies were brought from Africa, Australia, and New Caledonia to aid in its natural control. These enemies are under study under quarantine conditions.

The fight against noxious weeds invading pasture lands by using insects and diseases specific to their destruction was continued. A mealy bug of cactus *Dactylopius opuntiae* was obtained from Australia and liberated early in the year. By the end of the year its activities as a means of controlling this pest were most encouraging. A seed weevil of gorse was introduced from New Zealand which holds promise for keeping this pest in check.

Agricultural production.—The largest crops of sugar and pineapples in 3 years were marketed in 1949. The total for the sugar crop was 995,890 tons, while the pineapple crop totaled 23,745,873 cases of fruit and juice.

The number of beef cattle and sheep marketed fell off slightly. The production of milk and eggs remained static. The production of fresh fruits and vegetables for local markets dropped slightly during the year. The coffee crop was below normal. The production of taro for manufacture of poi remained in sufficient volume to meet current demands.

The export business developed in cut flowers continued to increase. The major item shipped is the vanda, called the baby orchid. This species of orchid was implicated as a host of the fruitfly in March 1949 and thereafter all shipments were required to undergo a fumigation treatment prior to shipment. Intensive studies by the United States Department of Agriculture fruitfly project conclusively proved that

the flower was not a host and the fumigation treatment was discontinued in April 1950.

Fisheries resources.—The fresh-water fisheries of the Territory were intensively surveyed during the year. Findings show that rainbow trout will reproduce in only a limited number of upland streams but will grow normally in most of the streams if planted there as fry. Fresh-water ponds and reservoirs are well suited for the production of large-mouth bass and blue-gill sunfish. The former is well established in many reservoirs throughout the Territory and the latter is in the early stage of multiplication. Enough generations of the blue-gill sunfish have been obtained to know that it will reproduce in these waters. The native oopu is deemed to hold high food and recreational values if properly exploited.

The tuna fisheries continued to show the steady increase in production they have since the end of the war although the increase during the one under review was less than previous ones due to a slight falling off, 3 percent, in the aku catch. The volume of table fish coming from inshore fisheries was less than normal. Investigations by Territorial agencies continued in developing a better knowledge of the handling of bait for the catching of tuna, utilization of new technique in tuna fishing and obtaining biological data on the life history and food habits of the tuna and other pelagic fish.

Wildlife.—The first reproduction in a captive flock of the nearly extinct native Hawaiian Nene goose was obtained during the year. It is anticipated that this flock will be increased to approximately 20 adult birds and that the annual reproduction will be established in sanctuaries.

High interest continues in hunting and the use of public hunting grounds. Additional hunting grounds were added during the year and management practices installed thereon. Research into limiting factors concerning reproduction of game birds continued.

PUBLIC UTILITIES COMMISSION

Utility companies in the Territory, generally, were in sound financial and operative condition at the close of the fiscal year 1949-50.

Maintenance deferred during the recent war years had been largely brought up to date and plants and facilities were being expanded at a rapid rate to keep pace with continuing demands for new services.

Plants are modern and for the most part adequate to meet reasonably foreseeable demands for service.

The most serious problems confronting the utilities and the Public Utilities Commission are the maintenance of minimum fair rates

and charges in the face of increasing capital and operating costs, the satisfaction of extraordinary demands for service due to a possible material increase in military concentrations in the Territory, and the accomplishment of necessary additions and improvements to present plants in the face of a possible scarcity of materials and supplies.

Emergencies due to war or other causes are provided for by the integration of utilities on all Islands into the Territory-wide disaster relief plan developed to implement present National policy.

Events during the past year indicated a tendency towards stabilization of rates and charges for utility services, general increases in gross income of utility companies, and the stabilization of over-all costs at approximately present levels. However, as the year closed it became apparent that serious consideration must be given to the probability of inflationary pressure on all elements of the utility business.

Prices of fuel oil, materials and supplies have already yielded to such pressure and will continue to do so barring the imposition of strict governmental controls. Increases in prices of fuel, materials and supplies, if they continue for any length of time, will, of course, set in motion a chain reaction which will eventually culminate in increases in rates and charges to utility consumers.

Commission activities.—During the fiscal year ended June 30, 1950, the commission held 14 quorum meetings and 31 public hearings to consider various matters before it. The commission disposed of 55 formal matters by the issuance of 60 decisions and 65 orders.

There was a marked decline in utility employment during the 18-month period ended December 31, 1949. A recent survey of 21 major utilities in the Territory shows a decline of 716 in the labor force during that period.

During the year ended June 30, 1950, the commission has cooperated fully with the Territorial legislative holdover committee regarding various matters before it including the development of possible hydro-electric power sources in the Territory and a survey of the possibilities for further rural electrification developments.

Finances. The total gross revenues of all utility companies during the year 1949 was \$38,298,367 as compared to \$36,751,981 in 1948, an increase of 4.21 percent. Total utility expenses and costs amounted to \$34,429,309 during 1949 as compared to \$34,320,904 in 1948, an increase of 0.32 percent. Total net utility income which increased from \$2,431,077 in 1948 to \$3,869,058 in 1949, represented an average return of 4.61 percent on the 1949 investment in electric utility properties,

which amounted to \$83,927,625. This investment represented an increase of 5.79 percent over the 1948 figure of \$79,331,019.

The 12 electric and power companies, with gross revenues of \$13,795,404 and expenses amounting to \$11,656,550, earned a net return of \$2,138,854, or 4.98 percent of their composite rate base amounting to \$42,980,120.

Gas companies retained \$302,645 as net earnings, from gross revenues of \$2,981,479, which net earnings represented a return of 4.54 percent on their composite rate base in the amount of \$6,666,778.

The Mutual Telephone Co. (which is the only telephone company in the Territory and which operates on all islands) with gross revenues of \$7,431,979 and expenses in the amount of \$6,225,406, earned a net return of \$1,206,573, or 6.55 percent on its rate base, amounting to \$18,422,086.

Net earnings for other classes of utilities varied from a high of 12.99 percent for Inter-Island Steam Navigation Co., Ltd., to a low of a minus 21.76 percent for Mahukona Terminals, Ltd.

The net increase in total investment of utility companies in 1949 over 1948 amounted to \$4,596,606 as compared to \$10,236,287 in 1948 over 1947. The major part of this large increase in investment in utility plants was due to the installation of new electric generating units and additions and betterments to electric transmission and distribution facilities, which accounted for \$2,665,631, and the installation of new telephone equipment, which accounted for \$3,314,968.

During the fiscal year ended June 30, 1950, the commission authorized new capital for utility companies amounting to \$2,197,263 as compared to \$7,500,000 authorized during the fiscal year 1948-49, a decrease of 70.71 percent.

Taxes. Total taxes assignable to all utility operations for 1949 amounted to \$4,773,221 as compared to \$3,921,678 in 1948, an increase of 21.71 percent.

Total taxes expressed as a percentage of gross revenues increased from 10.67 percent in 1948 to 12.46 percent in 1949. This is explained by the fact that the 1948 figure includes a tax credit of \$92,105 to the Oahu Railway & Land Co., Ltd.

Operating statistics. Operating statistics of utility companies show a continuing demand for additional electric, gas, and telephone services. It is expected that the manufacture of liquid petroleum gas in the Territory, which will begin around the latter part of August 1950 will spur the demand for gas utility services in the Territory, especially in the rural areas too costly to reach with electric line extensions, at a competitive price. Passenger traffic on urban and rural buses de-

clined while surface transportation of passengers between islands within the Territory has been practically eliminated.

The total number of consumers of the three major electric and power companies in the Territory increased from 87,981 at year end 1948 to 93,481 at year end 1949, an increase of 6.25 percent. Total kilowatt hours of energy sold by the same companies in 1949 amounted to 563,997,999 as compared to 545,153,094 in 1948, an increase of 3.46 percent.

Consumers of the two gas companies in the Territory increased from 34,386 at year end 1948 to 37,762 at year end 1949, an increase of 9.82 percent. Gas sold increased from 2,302,052 M cu. ft. in 1948 to 2,360,844 M cu. ft. in 1949, an increase of 2.55 percent.

The Mutual Telephone Co. had an increase of 13.14 percent in company telephones in service at year end 1949 as compared to year end 1948, the number increasing from 78,847 to 89,204. Local call usage of individual telephones increased 1.92 percent in 1949 over 1948 while toll call usage increased 6.77 percent.

Passengers carried by the Honolulu Rapid Transit Co., Ltd., continued to decline from the war time high of 124,796,804 in 1944 to 60,601,551 in 1949. Vehicle miles operated in 1949 amounted to 8,291,765 as compared to 8,731,739 in 1948, a decrease of 5.04 percent.

The Oahu Railway & Land Co., operating 20 miles of terminal and yard-switching tracks only at year end 1949, handled 19,786 freight cars during the year. The Kahului Railroad Co., operating a total of 25.31 miles of road at the end of 1949, carried 333,122 tons of revenue freight during the year.

Hawaiian Airlines, Ltd., carried 304,402 revenue passengers during 1949 as compared to 345,695 in 1948, a decrease of 11.94 percent, and operated 17,198 passenger flights in 1949 as compared to 19,613 in 1948, a decrease of 12.31 percent. Trans-Pacific Airlines, Ltd., a newly certificated carrier which began scheduled operations on June 6, 1949, carried 48,514 passengers and operated 4,528 passenger flights during the balance of the year.

STATEHOOD PROGRAM

The year 1950 will remain an important year in the history of Hawaii's struggle for statehood. For in 1950, not only did Hawaii again do everything in her power to gain favorable action by the Congress on her statehood fight, but she also went ahead, following the lead of 15 States before her, and moulded a State constitution to submit to the Congress for ratification.

Act No 334, signed by the Governor on May 29, 1949, set up the machinery for a constitutional convention. That operation began when on February 11, 1950, a primary election was held to select from an unprecedented number of candidates, those who would run in the final election one month later. On March 21, the runoff election was held with close to 80 percent of the eligible voters electing 63 delegates.

Their deliberations began April 4 in the National Guard Armory at Honolulu. The proposed constitution was to be submitted to the voters for ratification on November 7, 1950.

On March 7, 1950, the National House of Representatives passed the statehood bill by more than a two-thirds majority, 262 to 110.

Hearings on the statehood question were held by a Senate committee in Washington on May 1, 2, 3, 4, and 5, 1950. While there had been Senate hearings 2 years prior to this, the 1950 hearings proved to be the most exhaustive and conclusive yet furnished the Congress by residents of the Territory, and interested governmental officials and private citizens.

Over 50 witnesses made the trip from Hawaii to Washington to urge the committee to report out the statehood bill favorably.

By the end of the hearings there was little doubt as to the outcome. In July, the committee voted, with only one negative voice, in favor of immediate statehood for the Territory.

With the rush of war-needed legislation, the fate of Hawaii's statehood bill still seemed unsure. While it has been determined that a good majority of the members of the Senate are in favor of passage, it is questionable whether the bill will reach the floor or be pigeonholed because of what is considered more important legislation.

With each congressional session, it has seemed, Hawaii has taken another of the difficult steps necessary towards gaining statehood. Now with our constitution ready for ratification, and a majority of Senate and House leaders in favor of immediate statehood, the prospects for reaching our 50-year goal are clearer, closer, and more hopeful than ever before in our history.

HAWAII NATIONAL GUARD

Continued progress was made by the Hawaii National Guard during the 1949-50 fiscal year.

Outstanding developments of great importance to the Guard during the year were the successful completion of the largest and most efficient field training camp in its history, and the movement of special troops and units of the Two Hundred and Ninety-eighth Infantry from the Honolulu downtown area to Fort Ruger.

During the year the over-all strength of the Guard in Hawaii increased by 262 officers and men. The authorized Hawaii National Guard strength was increased during the year to 7,615 by reason of minor organizational changes. The strength of the Guard as of June 30, 1950, represented 77.2 percent of that figure, a gain of 3.1 percent since July 1, 1949.

The Guard held forty-eight 2-hour armory drills, covering those second year subjects as directed by the National Guard training directives.

The 1950 field training (Army and Air) was held at Schofield Barracks for the Army units from June 10 through 24; and at Hickam Air Force Base from June 11 through 25 for the Air units. The results of both camps were outstanding in both attendance and efficiency in practical training. Aggregate attendance was 4,852 officers and enlisted men, or 83.1 percent of actual strength.

The total Federal funds expended during the past fiscal year totaled \$2,843,427 as compared with a total of \$383,845 in Territorial funds, or \$7.39 Federal dollars to one Territorial dollar.

In January 1950, the Secretary of the Army issued to the Territory of Hawaii a revocable permit authorizing the Hawaii National Guard the use and occupancy for year-round training of certain land and improvements at Fort Ruger Military Reservation. This permit has enabled the Hawaii National Guard to move from the Honolulu Armory, in Iolani Barracks, Fort Armstrong, and Sand Island areas.

During the fall of 1949 the One Hundred and Ninety-ninth Fighter Squadron of the Hawaii Air National Guard actively participated in Operation MIKI, a joint Army-Navy exercise. The squadron, a unit of the Aggressor Force, was assigned the important mission to intercept the invading forces. After positive radar contact had been made, the One Hundred and Ninety-ninth Fighter Squadron left the southern tip of Hawaii and through a 3,000-foot overcast descended as a complete surprise on the invading fleet. This operation furnished the Hawaii Air National Guard with valuable training under simulated wartime conditions and the unit received high praise and commendation from the regular Air Force inspectors. The One Hundred and Ninety-ninth Fighter Squadron was awarded the Spaatz Air Trophy for the year 1949. This trophy is awarded to the outstanding squadron in each Air Wing of the Air National Guard.

PUBLIC ARCHIVES

It is not possible to present a report on the activities of the public archives without calling attention to the lack of space, not only for the care, preservation of and accessibility to the records, but to the im-

possibility of displaying items of historical and educational interest. The records of the 1949 sessions of the Legislature have to be piled in two layers on the floor between the stacks and gifts of nongovernmental but valuable papers are heaped in the office. At times there is no available table space for patrons and one or more of the assistants has to give up his desk for temporary use.

In compliance with the records disposal act, two government departments have filed request forms with the archivist and a third agency is preparing a list. These, together with several archives lists, will be submitted to the disposal committee at an early date.

During the hearings by the Un-American Activities Subcommittee, archives files, including newspapers, were in constant use by both investigators and witnesses. Agents of the subcommittee are still working with the files gathering further information.

The Constitutional Convention doubled the demand for research and information. Delegates personally, as well as through the hold-over committee and legislative reference bureau, made daily calls for material. One clerk's entire time was taken up with following the convention proceedings and filing the printed material received. One very apparent fact is that the delegates to the Constitutional Convention learned more of the history and government of Hawaii than ever before.

A great deal of the evidence presented by Hawaii's representatives at the statehood hearing at Washington was selected from the archives files.

In 1950, being a year of anniversaries, the Honolulu Chamber of Commerce, fire department, board of health, Reorganized Church of Latter Day Saints, and other organizations, taxed resources of the archives to the limit. Few persons realize that 100 years ago, August 30, 1850, Honolulu was by privy council resolution declared for the first time a city and the capital of the Hawaiian Islands. William E. Lee, the chief justice, was instructed to draw up a city charter.

Six research projects by graduate students and professors are now in progress and several others are pending.

There have been more demands for immigration records than at any time since the beginning of World War II.

PUBLIC LIBRARIES OF HAWAII

Library facilities throughout the Territory were greatly expanded during the 1949-50 fiscal year.

Use of library facilities were greater during the past twelve months than for any previous year. Reference and information questions answered at the central library in Honolulu showed a 13-percent

gain, while the 955,657 volumes borrowed for home reading constituted a gain of 7 percent over the year before.

The book collection now totals 204,635 volumes. Library borrowers at the central library total 76,313, 22 percent of the total number of persons residing on Oahu.

The loan-desk report shows that reading interests inclined toward nonfiction in the ratio of 59:41, with the subject of useful arts in the lead, followed in order by the fine arts, sociology, and literature.

The Library of Hawaii in January inaugurated a film service. It now has 80 films which are available for use by organizations and individuals. From the department of public instruction the library received films sponsored by the Federal Bureau of Mines, the United States Treasury, the H. J. Heinz Co., the American Can Co., and the local Community Chest.

A total of \$360,000 is available for the construction of branch libraries and improvements to existing branches on Oahu.

The library for the blind had a busy year. More than 100 visually handicapped persons were served. Sixty-five demonstrations of talking book and Braille reading and writing were given to visiting classes ranging from second graders to university seniors.

The Library of Hawaii received 3,979 books as gifts during the year.

LAW ENFORCEMENT AND COURTS

There was the usual wide range of activities in the department of the attorney general during the past year.

As previously reported, the stevedores (ILWU) on the local waterfront went on strike on May 1, 1949. The stoppage of the flow of waterfront commerce having continued for several months without any sign of ending, a special session of the Legislature of the Territory was called by the Governor. The Legislature passed laws (Acts 2 and 3) authorizing the Territory to take possession of and operate the stevedoring industry. The act was approved by the Governor on August 6, 1949.

In putting this "seizure" measure into effect, the Territory acted through its board of harbor commissioners. On August 16, 1949, various ILWU locals filed suit in the United States District Court for the District of Hawaii against the Governor, the members of the Legislature, a local circuit court judge, the attorney general, the board of harbor commissioners and the stevedoring companies (Civil No. 930, *ILWU v. Tsukiyama*), seeking an injunction against the enforcement of the act and damages in the amount of \$3,000,000.

Trial on the injunctive features of the case was held before Judges Metzger and McLaughlin, sitting as a court en banc, and lasted a

month. Harry Bridges was the principal witness for the union. The judges disagreed as to whether a preliminary injunction should issue, and filed separate opinions, Judge Metzger holding that the act was void on its face, on the basis of conflict with the Constitution and laws of the United States, and Judge McLaughlin holding that the act was valid and that the equities were in favor of the people of the Territory. When no preliminary injunction was granted, the ILWU appealed to the Ninth Circuit Court of Appeals, but later withdrew its appeal.

Enforcement of law in the Territory was seriously hampered by the lack of a functioning Supreme Court during the period from July 11, 1949, to April 18, 1950, due to a vacancy arising with the untimely death of Justice Albert M. Cristy and a failure to appoint any successor. In order to avoid any such hiatus in the future functioning of the Supreme Court, Congress subsequently amended the Organic Act to permit circuit judges to sit thereon in the event of vacancies.

Extensive briefs were filed by both parties in the case of *ILWU v. Ackerman*, commented upon in the last report, and the case will soon be argued before the Ninth Circuit Court of Appeals.

The previously reported case of *Alesna v. Rice* (172 F. 2d, 176, C. A. 9) reached its conclusion in the Federal courts on October 10, 1949, when the Supreme Court of the United States denied a writ of certiorari. The Territory therefore prevailed in the case throughout its course in the Federal system, the District Court for Hawaii having dismissed a suit to enjoin contempt proceedings pending in the Circuit Court of the Fifth Circuit and the Court of Appeals having confirmed the judgment of the District Court. The contempt proceedings which were sought to be stayed in the case were disposed of on June 16, 1950, when the 10 defendants pleaded guilty and were fined. These two cases sustained and vindicated the authority of the circuit courts of the Territory in the exercise of their equity jurisdiction in labor disputes involving force and violence or other unlawful conduct.

For the use of the United States, as a part of the Hawaii National Park (in accordance with Act 680, 75th Cong., 52 Stat. ch. 530, p. 871), the Territory acquired fee simple title to 2,458 acres, and an order for possession of an additional 23,502 acres, of lands adjacent to the National Park, known as the Kalapana Extension.

Private rights of fishing in the 4,950 acres constituting the Sea Fishery of Wailuku, off the shores of the Island of Maui, were acquired by condemnation, pursuant to section 96 of the Organic Act. Other smaller fisheries had been acquired the previous year, and a general

program has commenced for the public acquisition of all such private fisheries.

Considerable difficulty has been experienced recently concerning a return to the Territory of certain parcels of land formerly set aside by the President of the United States under section 91 of the Organic Act for the uses and purposes of the United States, and now declared surplus to its needs. Generally speaking, the obstacles preventing a return of such parcels by Executive order of the President are three, each involving an interpretation of the Hawaiian Organic Act. The first two involve a determination of whether privately owned lands procured by way of exchange with the Territory for public lands take on a status identical with the public lands so as to enable their return by Executive order. The third involves the question of whether public lands set aside for uses and purposes of the United States by Executive order and subsequently transferred from one executive department to another pursuant to express congressional authority may, without further congressional action, be returned to the Territory by Executive order. Each of the foregoing problems is presently under consideration by the Interior and Justice Departments, and the Territory is in the process of preparing a brief in support of its position that the Organic Act, properly construed, permits the forthwith return by Executive order of each of such parcels.

The transfer from the United States to the Territory by Presidential Executive Order No. 10121 of title to 603.938 acres of land comprising the major portion of Honolulu Airport brought to a conclusion more than 4 years of negotiation between the Territory and the Navy. The airport development of this parcel was commenced before the recent war by the Territory with the aid of the Civil Aeronautics Administration and was completed during the war by the United States Army and Navy. The transfer of title constitutes a major step in the development of an airport adequate to meet the requirements of an international air transportation system.

An accord was reached between the Territory and the United States Army and Air Force as to the terms and conditions upon which several airports developed on public and other lands, will be restored, and in some cases granted, to the Territory. Formal documents conforming to the accord have been approved by the Territory and submitted for execution to the President and the United States Army covering the restoration to the Territory of Ka Lae Military Reservation (Morse Field), at South Point, Island of Hawaii. Others should follow soon covering Hilo Airport (General Lyman Field), at Hilo, Hawaii, Molokai Airport, at Palaa, Molokai, Upolu Point Military Reserva-

tion (Suiter Field) at North Kohala, Hawaii, and the major portion of Bellows Field, at Waimanalo, Oahu. Disposition of the airfields and allied facilities developed by the Navy at Kahului Naval Air Station, Kahului, Maui, and Kaneohe Naval Air Station, Mokapu, Oahu, remains the subject of further negotiations.

An injunction suit brought by Mrs. Elizabeth Marks to restrain the Territory from proceeding with the condemnation of lands for a new Nuuanu Pali road route was decided in favor of Mrs. Marks on demurrer, on the ground that the Territory's eminent domain statutes are in conflict with the due process clause of the United States Constitution in not assuring payment of full compensation for damages sustained. An appeal has been perfected to the Supreme Court of the Territory and a speedy decision of the matter is being sought because of the decision's very serious effect on the whole of the Territory's public works program.

The long-pending negotiations and litigation involving lands of the Meyer family on the Island of Molokai finally started to come to a head in July of 1949. The dispute between the Meyers and the Territory began about 1924, involving claims for the value of water taken by the Hawaiian Homes Commission from lands allegedly owned by the Meyers. There are two phases to the problem: first, whether the Meyers are the owners of these waters which admittedly have their sources on Meyer land, and second, whether the Meyers are the owners of a 50-acre parcel on which is located the intake of the Hawaiian Homes Commission's water tunnel. The ownership of the 50-acre parcel containing the tunnel situs was litigated in the Land Court, the Meyers having filed an application to register title to this parcel. After an extended trial, a decision was rendered for the Meyers, and the matter is now before the Supreme Court on appeal.

Pursuant to the provisions of Act 334 of the Session Laws of Hawaii 1949, the Constitutional Convention of Hawaii convened on April 4, 1950, for the purpose of drafting a constitution for the future State of Hawaii. The convention is still in session as of the date of this report. The Attorney General's Department was called upon for assistance on questions arising in connection with the election of delegates to the convention, as well as in the preparation and consideration of proposed provisions of the constitution.

Courts.—During the year the various courts disposed of cases as follows:

The Supreme Court of Hawaii disposed of 20 cases.

The 6 divisions of the First Circuit Court disposed of 5,636 cases; the Circuit Court of the Second Circuit, 575 cases; the Circuit Court

of the Third Circuit, 1,217 cases; the Circuit Court of the Fifth Circuit, 570 cases.

The Land Court received 26 new applications during the fiscal year and issued 25 decrees during the same period. A total of 76 applications were pending at the close of the year. During the year 572 minor petitions were filed and approved by the court.

A total of 1,400 cases were filed in the United States District Court, divided as follows: Admiralty 10, bankruptcy 70, civil 82, criminal 74, habeas corpus 3, naturalization 930 petitions and 122 declarations. Naturalization cases concluded numbered 1,034 and all other cases concluded 200.

HAWAIIAN HOMES COMMISSION

The program of the Hawaiian Homes Commission for the fiscal year ended June 30, 1950, was high-lighted by the letting of a contract to furnish irrigation water for a farming area of 1,000 acres in the Waimea area on the Island of Hawaii and the awarding of 135 home sites in the Kewalo-Auwaiohimu area on the Island of Oahu.

The majority of those who were awarded home sites in the Kewalo-Auwaiohimu area have completed their homes and are occupying same. This area is developing into one of the most outstanding low-cost housing projects in the city of Honolulu.

Work on the irrigation project at Waimea, Island of Hawaii, is about 20 percent completed. Plans and specifications for the home sites are nearing completion. The entire project will provide home sites for about 70 homesteaders, approximately 40 of whom will be filing for agricultural homesteads and about 30 for pastoral homesteads.

In the Waimanalo area on the Island of Oahu, the improvements that were in the planning stage in 1949, were completed the latter part of May, and the home sites developed will be awarded shortly.

In the Keaukaha area on the Island of Hawaii, the Commission in the past never experienced a great demand for homesteads due to the rocky nature of the area. However, during the past year, there has been considerable interest in the area, so much so, that the Commission has only 10 lots left to be awarded, which indicates that further development of home sites may be needed either in the area of Keaukaha or Panaewa close to the city of Hilo.

On the Island of Molokai, the Homes Commission has put the deep well mentioned in the 1949 report into operation, and it is now supplying about 20 percent of the homesteaders on that island with a continuous supply of water. Plans and specifications for the further de-

velopment of the distribution system will make this supply available to all of the homesteaders on Molokai. When this new improvement of the distribution system is installed, rationing of water to homesteaders during periods of drought will be completely eliminated as mentioned in the 1949 report.

The Commission during the past year developed and awarded approximately 39 new residence lots in the Kapaakea section of Molokai, and 29 agricultural lots comprising about 1,000 acres in the Moomomi section.

The revolving fund of the Hawaiian Homes Commission shows a balance of \$38,522.98 available for loans to lessees as of June 30, 1949, which from the interest shown in the homes commission program on the part of the native Hawaiians, will be far from adequate to supply the necessary assistance to help prospective applicants in establishing themselves on their residence lots or farms as the case may be. This indicates that legislation authorizing an increase of the loan fund should be requested at the next session of the Legislature.

GOVERNMENT SERVICE

The growth of the Territorial service can be visualized readily by a review of the following figures which indicate the number of positions at 6-month intervals covering a period of 2 years:

June 30, 1948	4,836
December 31, 1948	4,899
June 30, 1949	5,027
December 31, 1949	5,125
June 30, 1950	5,257

The 1950 increase of 230 positions, or 4.5 percent during the 1949-50 fiscal year, is significant in that it reflects the growth of government service and the role of the Territory as an employer.

Positions in the Territorial government became highly competitive during the year due to lay-offs at military installations and by private industry. Unfortunately, it was in the unskilled classes of positions or those classes requiring the minima in skill or training that attracted the greatest number of applicants. On the other hand, highly skilled positions were left vacant for long periods of time for want of qualified applicants. In this respect, the present pay rates for the professional classes of positions such as psychiatrist, specialized physicians, technical librarians, etc., while comparing favorably with other positions of similar classes, proved to be inadequate in comparison to that paid by Federal agencies and private industry.

EMPLOYEES' RETIREMENT SYSTEM

As of June 30, 1950, there were 16,120 active and inactive members in the Employees' Retirement System of the Territory of Hawaii.

There were 813 persons on the pension and retirement rolls as of June 30, 1950. Annual pensions and retirement allowances totaled \$613,271.92. Those on the rolls included 6 persons on legislative pensions (Act 261, S. L. H. 1925), 4 teachers retired under the old teachers' pension system, 615 on service retirement, 123 on ordinary disability retirement, 51 on accidental disability retirement, and 14 pension beneficiaries as a result of accidental death of members of the system.

The growth of the system has been indicated by the membership and assets during the past 10 years. In 1940, the system had 8,352 members and investments amounted to \$10,957,710.35; as of June 30, 1950, there were 16,120 members and investments amounted to \$48,003,955.82.

Under the provisions of Act 70, S. L. H. 1949, members who were 70 years of age or older, who had been permitted to remain in service under temporary waivers extended by each Legislature, were allowed to remain in service until June 30, 1950, only there were approximately 25 members affected by the act.

HAWAII AERONAUTICS COMMISSION

As of June 30, 1950, there were 17 airports under the jurisdiction of the Hawaii Aeronautics Commission. These airports are:

Honolulu Airport, Oahu.
 General Lyman Field (Hilo Airport), Hawaii.
 Maui Airport (Puunene), Maui.
 Kahului Airport, Maui.
 Molokai Airport, Molokai.
 Lihue Airport, Kauai.
 Port Allen Airport, Kauai.
 Upolu Point, Hawaii.
 Lanai Airport, Lanai.
 Kona Airport, Kailua, Hawaii.
 Hana Airport, Maui.
 Kamuela Airport, Hawaii.
 Kalaupapa Airport, Molokai.
 South Point Airport, Hawaii.
 Bellows Field, Oahu.
 Kipapa Airfield, Oahu.
 Hamoa Field, Maui.

Air traffic.—The Territory of Hawaii is served by six scheduled and two irregular overseas airlines besides two scheduled and three irregu-

lar interisland airlines. There is also one scheduled interisland air freight carrier operating out of Honolulu Airport.

During the calendar year 1949, commercial airlines carried 116,652 passengers between Hawaii and the mainland of the United States, British Columbia, the Antipodes, and the Orient; 44,111 of which represent the number of travelers arriving in Hawaii, 49,472 departing from Hawaii, and 23,069 represent through passengers. Interisland passengers totaled 389,227 during the calendar year 1949.

It is interesting to note that the aggregate passengers during the calendar year 1949 amounting to 505,879 rates fifth according to data among 13 United States cities enplaning more than 300,000 passengers on scheduled airlines in 1949. Only the cities of New York, Chicago, Washington, and Los Angeles in that order are ahead of the city of Honolulu, which is followed by San Francisco, Boston, Dallas, Detroit, Newark, Atlanta, Cleveland, and Pittsburgh in the order named.

The Civil Aeronautics Administration control tower reported a total of 77,855 landings at Honolulu Airport during the calendar year 1949.

BOARD OF HARBOR COMMISSIONERS

The earnings of the Board of Harbor Commissioners for the fiscal year ending June 30, 1950, were \$1,362,868.18, compared to \$1,158,645.06 for the previous fiscal year. This increase is due to two causes: (1) The increased rates on interisland wharfage charges put into effect on February 1, 1949, and (2) the backlog of incoming and outgoing freight which was caused by two stevedore strikes during the previous fiscal year.

In order to permit normal business to function and safeguard the health and welfare of the people of the Hawaiian Islands, a special session of the Legislature called by the Governor passed an act which allowed the Territorial Government to take over the function of handling stevedoring in the Territory during the strike which began on May 1, 1949, and ended September 25, 1949. The above-mentioned act was approved August 6, 1949. Seizure of stevedoring companies took effect on August 10, 1949. During the remaining days of the strike Territorial stevedores handled a total of 422,834 tons in and out of the various ports of the Territory.

The Board of Harbor Commissioners has continued its program of rehabilitation of all structures in need of repair and replacement and during the year contracts were under way involving an expenditure of \$581,000 for this purpose.

New work involved expenditures and obligations in the amount of \$1,435,000. The major items of new work included the comple-

tion of the terminal shed at Nawiliwili Harbor, Kauai; the widening and extending of Kaunakakai Wharf on Molokai; and the construction of a net drying shed, bulkhead wall and paving at Kewalo Basin, Honolulu.

To improve the facilities for small craft a new small boat harbor is under construction at Lahaina, Maui, and a new fishing pier is being built in Kaneohe Bay, Oahu.

The Board of Harbor Commissioners has decided to sell revenue bonds in the amount of \$3,650,000. These funds will be used to purchase property now owned by the Inter-Island Steam Navigation Co. and to build the first unit of the new overseas freight terminal on the land purchased. The remainder of bonds authorized by the Territorial Legislature, \$2,000,000, will be sold when certain parcels of Federal land are transferred to the Territory.

The following is a tabulation of the inward and outward overseas cargo tonnages and number of vessels at major island ports:

Port	Number of vessels	
	1949	1950
Honolulu.....	990	861
Hilo.....	181	198
Kahului.....	152	173
Port Allen.....	102	113
Nawiliwili.....	58	113

Port	Inward cargo tons		Outward cargo tons	
	1949	1950	1949	1950
Honolulu.....	1, 644, 642	608, 175	1, 914, 498	673, 377
Hilo.....	220, 517	247, 252	257, 839	377, 338
Kahului.....	136, 701	181, 121	266, 332	368, 286
Port Allen.....	60, 496	64, 116	140, 301	222, 788
Nawiliwili.....	22, 295	43, 094	62, 863	53, 750

NATIONAL PARK SERVICE

The largest appropriation (\$225,352) in the 34-year history of Hawaii National Park enabled much-needed construction, maintenance, repair, and rehabilitation work to be accomplished during the 1950 fiscal year. The water system in both sections of the park was expanded to meet all normal needs. The Hilina Pali area, a magnificent but heretofore inaccessible part of the park, was opened to public

use by the construction of an oil-surfaced road. The trail system received a considerable amount of improvement, as did the primary roads, buildings, campground and picnic areas, and other visitor-use facilities.

Visitors to the park numbered 330,454 during the fiscal year. This compared to 429,440 visitors for the preceding year. The reduction in visitation is attributable to the longshoremen's strike.

The museum development program made a substantial start with a \$7,000 donation made by Hui-O-Pele Hawaii and the employment of a mainland museum technician. The museum exhibit plan calls for the installation of 22 units in the administration-museum building at Kilauea Section headquarters, 14 units in the Haleakala observation station, and 19 field exhibits. When completed, it is believed that this museum will constitute one of the finest of its kind in the Territory.

Lodges of Hawaii, Ltd., a new enterprise in the Territory, was authorized to operate the concession in the Haleakala Section. The concession plant utilizes the buildings and other facilities comprising the wartime Haleakala Army Base Camp. The new concessioner has undertaken a considerable improvement program to enhance visitor comfort and enjoyment of this section of the park.

Inclusion in the National Park System of the ancient and historic city of Refuge on the Kona coast of the Island of Hawaii was approved by the Secretary of the Interior in December on the recommendation of the Advisory Board on National Parks, Historic Sites, Buildings, and Monuments. This new area will bring to three the number of units administered by the National Park Service in the Territory, the others being the Kilauea Section of Hawaii National Park on the Island of Hawaii and the Haleakala Section on the Island of Maui.

Consummation of the land acquisition program authorized by the act of June 20, 1938 (52 Stat. 781), made important strides forward. An order of possession was filed by the Territory in February for the remaining 17 parcels of land in the Kalapana Extension. The completion of title searches remains to consummate this acquisition. Revision of the north and east park boundaries in the Kilauea Section to include three tracts of privately owned land and one tract of Territorial land will ease the boundary problem in the headquarters area, facilitate a parkway-like approach to the park, and preserve some fine native rain forest areas.

Intensive control measures against feral goats and pigs continued throughout the year. A total of 3,608 goats and 258 pigs were de-

stroyed. The numbers of these pests continue to be lessened, together with the impact upon park values.

The outstanding event of the year was the 1950 eruption of Mauna Loa on June 1, continuing through June 15, which may prove to be the greatest flank eruption in historic times.

POPULATION TRENDS

The United States census completed April 1, 1950, placed the population of the Territory of Hawaii at 493,348 as compared with 423,330 in 1940.

According to a preliminary report on the census, the population of Honolulu increased from 258,256 in 1940 to 437,440 in 1950. All other counties showed a decrease in population during the 10-year period between 1940 and 1950. The population of Kauai dropped from 35,818 to 29,838; Maui from 55,980 to 48,052; and Hawaii from 73,276 to 67,683.

The Bureau of Health Statistics, Territorial Department of Health, points out that the census figures included the military. As of July 1, 1949, the revised estimate of the civilian population of Hawaii was 481,537. As of July 1, 1950, the population had dropped to 467,711, a decrease of 13,826 persons, or 3 percent. The net change for the year previous was only minus 1.8 percent.

The revised population estimates showed not only a much smaller number of people, but made evident considerable shifts in some of the racial groups. The greatest change was in the Caucasian group which is now only 18 percent of the total population. About half of the loss in this group was due to emigration. The other half represents the correction of an error in previous population estimates. This error was due to emigration, particularly of civilian war workers, during World War II, and although the existence of the error had been known, its extent could not be ascertained until the 1950 census was taken.

Aliens in the Territory decreased from 69,310 in 1949 to 64,223 in 1950. In 1949, on the basis of revised population estimates, aliens represented 14.4 percent of the total population. In 1950 this percentage had dropped to 13.7. Among the various ethnic groups decreases ranged from 6 to 18 percent. Proportionately, the Caucasians and Chinese decreased the most. Numerically the great decreases were among the Japanese and Filipinos. Within each racial group the proportion of aliens varied widely as follows: Caucasians, 2.8 percent; Chinese, 6.4 percent; Japanese, 15.6 percent; Koreans, 21 percent; and Filipinos, 48.4 percent.

The estimated civilian population of 320,732 in the county of Honolulu represents 68.6 percent of population of the Territory. The city of Honolulu has an estimated civilian population of 232,193, or 49.7 percent of the total population.

The following table shows the civilian population by county and selected cities of the Territory, as well as the population of the Territory according to race, as of July 1, 1949, and July 1, 1950.

Civilian population estimates¹ Territory of Hawaii, July 1, 1949 and 1950

Geographic area	July 1, 1949	Jan. 1, 1950	July 1, 1950		Percent change since July 1, 1949
			Number	Percent	
TERritORY OF HAWAII.....	481, 537	478, 119	467, 711	100. 0	-2. 9
County of Hawaii.....	68, 448	68, 656	67, 800	14. 5	- . 9
City of Hilo.....	27, 170	27, 383	27, 104	5. 8	- . 2
Rural Hawaii.....	41, 278	41, 273	40, 756	8. 7	-1. 3
County of Honolulu.....	334, 879	329, 647	320, 732	68. 6	-4. 2
City of Honolulu.....	242, 438	238, 295	232, 193	49. 7	-4. 2
Rural Honolulu.....	92, 441	91, 352	88, 539	18. 9	-4. 2
County of Kalawao.....	380	358	372	. 1	-2. 1
County of Kauai.....	29, 685	30, 250	30, 273	6. 4	+2. 0
Island of Kauai.....	29, 472	30, 065	30, 088	6. 4	+2. 1
Island of Niihau.....	213	185	185	0	-13. 1
County of Maui.....	48, 145	49, 208	48, 474	10. 4	+ . 7
Island of Lanai.....	3, 078	3, 148	2, 920	. 6	-5. 1
Island of Maui.....	40, 131	40, 997	40, 440	8. 7	+ . 8
Island of Molokai (Excl. Kalawao).....	4, 936	5, 063	5, 114	1. 1	+3. 6

Race	July 1, 1949	Jan. 1, 1950	July 1, 1950				Percent change since July 1, 1949
			Total		Citi- zens	Aliens	
			Number	Percent			
ALL RACES.....	481, 537	478, 119	467, 711	100. 0	403, 488	64, 223	-2. 9
Hawaiian.....	13, 027	12, 979	12, 947	2. 8	12, 947	-----	- . 6
Part-Hawaiian.....	73, 865	75, 529	77, 132	16. 5	77, 132	-----	+4. 4
Puerto Rican.....	10, 142	10, 243	10, 351	2. 2	10, 351	-----	+2. 1
Caucasian.....	100, 203	93, 602	81, 911	17. 5	79, 597	2, 314	-18. 2
Chinese.....	30, 711	30, 833	30, 566	6. 5	28, 615	1, 951	- . 5
Japanese.....	183, 315	184, 811	184, 732	39. 5	155, 993	28, 739	+ . 8
Korean.....	7, 240	7, 268	7, 264	1. 5	5, 735	1, 529	+ . 3
Filipino.....	61, 523	61, 198	61, 040	13. 1	31, 481	29, 559	- . 8
All others.....	1, 511	1, 646	1, 768	. 4	1, 637	131	+17. 0

¹ All estimates based on Apr. 1, 1950, provisional United States census figures, minus members of the Armed Forces as of that date.

NOTE.—Population estimates are computed on the basis of births, deaths and migration for the period from one estimate to the next.

FEDERAL SECURITY AGENCY

Nearly \$5,000,000 of Federal funds directly benefited about 22,000 residents of the Territory during the 1949-50 fiscal year under programs of the Federal Security Agency, according to a report to the Governor from the deputy regional director.

The report shows that 21,914 persons received benefits totaling \$4,968,751 as follows:

Old-age and survivors insurance.....	7, 500
Insurance beneficiaries.....	\$1, 720, 000
Estimated number of policy holders.....	310, 000

Public Assistance (Territorial Department of Public Welfare)—Federal grants for assistance to needy aged, blind, and dependent children, \$2,248,542.

Estimated number benefited as of June 1950.....	14, 250
Child health and welfare services.....	\$269, 636
Public health.....	\$425, 780
Educational programs.....	\$165, 000
Vocational rehabilitation.....	\$139, 793

These funds reaching Hawaii through the Federal Security Agency contributed appreciably to the stabilization of Hawaii's economy during a period of widespread unemployment. Almost \$1,000,000 identified with social security programs, lessened the disastrous effects that lack of income has on older people, children, and young persons. Also, more than \$1,000,000 contributed to the health, education, vocational rehabilitation, and social welfare of people in Hawaii. The number of persons receiving monthly minimum income payments under the old age and survivors insurance and public assistance programs grew from 18,000 to 21,000, an increase of about 17 percent.

Important to Hawaii's economy and the conservation of its human resources was the drafting in Congress this year of legislation to extend the coverage and liberalize the benefits of social-security protection. Of special significance to this agricultural community was the legislative proposal to extend the old-age and survivors insurance program to include agricultural workers.

PUBLIC FINANCES

The financial status of the Territorial government was favorable at the close of the 1949-50 fiscal year, although tax collections dropped alarmingly during certain months as a result of adverse economic conditions.

The tax commissioner's report shows that the downward trend in business volume and payrolls which began in December 1948 has apparently leveled off and, in fact, an upward trend was noted during the past two months of the fiscal year.

The heavy tax losses sustained by the Territory during the 6 months water-front tie-up were fortunately materially offset by the release of well over a million dollars in tax-collections held in escrow pending court tests, which were settled in the Territory's favor during the past fiscal year.

Reports of the tax commissioner, the Territorial auditor, the Territorial treasurer and the United States Internal Revenue Service, all reflecting the condition of public finances and current business trends in Hawaii follow:

Report of the tax commissioner.—The fiscal year ended June 30, 1950, has been an eventful and troublesome year in many respects with particular emphasis on the stevedoring strike which practically blocked this Territory for a period of 6 months. This strike and the acute unemployment situation, which existed throughout the year, caused business and wage earners the loss of about \$100,000,000 in gross income.

Many business enterprises became temporarily inactive, others permanently, and many have since gone bankrupt. These losses naturally had a very decided effect on territorial tax collections which dropped as much as 20 percent in some months. Furthermore, tax delinquencies increased at an alarming rate throughout and subsequent to the strike and are still going up. This is a very serious situation which must be controlled in a firm, careful, and understanding manner, in order not to force people out of business, and thereby increasing unemployment, if there is hope of survival.

Real property tax assessment values were again increased as of January 1, 1950. The purpose of these annual revaluation increases is to gradually build up our prewar tax values, which were used during the war period, to present-day market values.

The following is a comparative summary of tax collections for the fiscal years ending June 30, 1949, and June 30, 1950:

Kind of tax	1948-49	1949-50	Increase or decrease	Percent
Bank excise.....	\$125,000.00	\$125,000.00		
Compensation and dividends.....	9,513,135.76	8,732,351.81	¹ 780,783.95	¹ 8.21
General excise, consumption, and compensation.....	26,286,003.88	24,012,860.19	¹ 2,273,143.69	¹ 8.65
Income—corporation.....	3,796,420.37	3,378,723.71	¹ 417,696.66	¹ 11.00
Income—individuals.....	1,393,673.06	1,250,858.27	¹ 142,814.79	¹ 10.25
Liquid fuel.....	5,942,600.28	5,980,733.09	38,132.81	.64
Liquor.....	1,598,255.03	1,650,834.54	52,579.51	3.29
Public utilities.....	1,926,654.94	1,941,352.99	14,698.05	.76
Real property.....	9,651,722.64	10,702,085.56	1,050,362.92	10.88
Tobacco.....	640,459.61	937,291.93	296,832.32	46.35
Unemployment compensation.....	2,571,580.05	2,498,732.04	¹ 72,848.01	¹ 2.83
Total—current year.....	63,445,505.62	61,210,830.13	¹ 2,234,675.49	¹ 3.52
Prior years tax collections.....	1,312,017.60	2,676,514.79	1,364,497.19	104.00
Grand total.....	64,757,523.22	63,887,344.92	¹ 870,178.30	¹ 1.34

¹ Decrease.

These collections do not include county collections, and revenue collected by other Territorial agencies. The big increase in tobacco tax collections, shown in the above statement, is entirely due to an increase in the tax rate effective July 1, 1949. The 104 percent increase in prior years tax collections is mainly due to the release of tax collections formerly held in escrow pending court litigations.

The following exhibit shows some comparative statistics indicating the trend in business volume, salaries and wages, dividends, gasoline consumption, property values, etc.:

Items	1948-49	1949-50	Increase or decrease	Percent
Retail sales volume.....	\$470,748,133	\$419,064,157	¹ \$51,683,976	¹ 10.98
Wholesale sales volume.....	\$228,699,034	\$195,751,306	¹ \$32,947,728	¹ 14.40
Sugar processing.....	\$81,120,896	\$84,931,004	\$3,810,108	4.70
Canning (pineapple, etc.).....	\$80,410,568	\$71,659,602	¹ \$8,750,966	¹ 10.88
Gross business income.....	\$1,198,398,169	\$1,087,127,671	¹ \$111,270,498	¹ 9.28
Salaries and wages.....	\$438,284,279	\$407,049,276	¹ \$31,235,003	¹ 7.13
Dividends.....	\$33,961,029	\$27,274,462	¹ \$6,686,567	¹ 19.69
New business licenses issued.....	8,808	8,376	¹ 432	¹ 4.90
Licenses canceled.....	9,359	7,930	¹ 1,429	¹ 15.27
Total number of licenses issued.....	39,945	40,075	130	.33
Gross real property tax values.....	\$716,591,071	\$772,783,811	\$56,192,740	7.84
Net real property tax values.....	\$299,188,296	\$333,643,899	\$34,455,603	11.52
Average Territorial tax rate (per \$1,000 valuation).....	\$36.01	\$32.84	¹ \$3.17	¹ 8.80
Number of home exemption claims.....	28,589	31,875	3,286	11.49
Gasoline consumption..... gallons.....	83,248,020	84,436,492	1,188,472	1.43
Diesel oil consumption..... do.....	25,996,712	26,161,412	164,700	.63
Aviation gasoline consumption..... do.....	12,656,836	14,321,425	1,664,589	13.15

¹ Decrease.

The big decreases reflected in the above statement, under "gross business income," "retail," and "wholesale" sales and "salaries and wages," are mainly due to losses suffered during last year's water-front strike.

However, we closed the past fiscal year on an optimistic note, taxwise that is, having noticed an improvement in business volume and employment which promise increased tax collections in the ensuing fiscal year.

Report of the auditor.—Total revenue receipts collected by the Territory of Hawaii and its political subdivisions for the fiscal year were \$100,279,040.31, as compared with \$97,231,894.03, for the 1948-49 fiscal year.

The general financial situation is reflected in the following tables:

Consolidated statement of operations—Territory of Hawaii and its political subdivisions—Receipts for the fiscal year ended June 30, 1950

Character of receipts	Territory of Hawaii	City and county of Honolulu	County of Maui	County of Hawaii	County of Kauai	Total
REVENUE RECEIPTS						
Taxes:						
Property taxes.....		\$7, 105, 998.66	\$906, 674.35	\$1, 196, 642.47	\$538, 055.06	\$9, 747, 370.54
Income taxes.....	\$13, 862, 209.77					13, 862, 209.77
Inheritance and estate taxes.....	289, 596.33					289, 596.33
Business license taxes.....	27, 207, 518.04	5, 412, 060.65	1, 598, 440.12	1, 782, 751.59	1, 044, 309.77	36, 955, 080.17
Nonbusiness license taxes and permits.....	190, 780.10	116, 283.10	356, 477.28	461, 345.13	247, 163.91	1, 372, 049.52
Unemployment compensation taxes.....	2, 496, 062.43					2, 496, 062.43
All other taxes.....		3, 296, 257.95	13, 340.41	42, 729.27	8, 248.66	3, 290, 576.29
Total, taxes.....	44, 046, 136.67	15, 800, 600.36	2, 784, 932.16	3, 483, 408.46	1, 837, 777.40	68, 012, 915.05
Nontaxes:						
Special assessments and special charges.....	3, 016.76	382, 470.94				385, 487.70
Fines, forfeits, and escheats.....	75, 279.91	423, 961.86	30, 638.64	48, 651.59	10, 552.76	589, 084.76
Grants in aid.....	13, 775, 843.53	68, 182.84	582, 539.26	760, 490.20	332, 665.88	15, 519, 701.71
Donations from private sources.....	45, 802.44	7, 039.81				52, 842.25
Rent of investment properties.....	1, 171, 300.41	15, 590.54	2, 438.25	45, 508.96		1, 234, 838.16
Interest.....	798, 178.74	11, 821.22	325.11		398.18	810, 723.25
Earnings of general departments:						
General government.....	132, 566.08	76, 401.10	67, 682.12	24, 203.50	14, 387.60	315, 300.40
Protection.....	361, 072.93	91, 903.75	903.25	20, 517.27	6, 442.75	480, 839.95
Highways.....		46, 917.03	90.00	12, 830.85	9, 642.49	69, 480.37
Development and conservation of natural resources.....	69, 537.20					69, 537.20
Health and sanitation.....	81, 639.99	498, 442.81	80.00	56, 140.89		636, 303.69
Hospitals and institutions for handicapped.....	234, 226.94	31, 193.37	192, 838.55	410, 366.40		808, 625.26
Charities.....	1, 501.55					1, 501.55
Corrections.....	148, 735.31	3, 609.00				152, 344.31
Schools.....	1, 304, 229.10		1, 933.00		9, 797.77	1, 315, 959.87
Libraries.....	77.50					77.50
Recreation.....	87, 031.19	68, 369.31	9, 202.97		9, 131.75	173, 735.22

Miscellaneous.....	996,125.47	940,269.93	-----	670.99	16,620.91	1,953,687.30
Public service enterprises.....	1,735,851.64	5,490,198.88	171,938.36	104,983.50	133,480.23	7,636,054.81
Total—nontaxes.....	21,022,016.69	8,156,372.39	1,060,020.71	1,483,986.15	543,120.32	32,266,125.26
Total—revenue receipts.....	65,068,153.36	24,016,972.75	3,845,561.87	4,967,454.61	2,380,897.72	100,279,040.31
NONREVENUE RECEIPTS						
From borrowings.....	13,000,000.00	3,762,962.02	1,823,084.32	1,776,750.00	825,000.00	21,187,796.34
From other civil divisions.....	36,672.93	8,453.29	222,943.11	-----	-----	268,071.33
From objects of private trust.....	-----	160,040.94	95,878.03	1,560.00	-----	257,478.97
From sales of investments.....	3,720,942.25	5,967.02	-----	5,619.95	-----	3,741,520.22
From decrease of storehouse supplies.....	1,121,817.28	6,130.40	-----	-----	-----	1,127,947.68
From offsets to outlay payments.....	29,787.77	374,676.22	198,799.78	1,243,638.73	-----	1,846,905.50
From counterbalancing receipts.....	127,084.60	27,126.70	1,266.30	183,430.42	73,997.41	412,933.43
Total, nonrevenue receipts.....	18,045,304.83	4,345,359.59	2,342,003.54	3,210,999.10	898,997.41	28,842,664.47
TRANSFER RECEIPTS						
Nonrecoverable transfers from other funds.....	3,636,571.98	-----	779,181.01	1,059,532.48	91,295.65	5,566,581.12
Nonrecoverable transfers from employees' retirement system.....	107,809,688.89	-----	-----	-----	-----	59,638.72
Borrowings and repayments from other funds.....	20,900,000.00	-----	48,020.39	762,823.83	-----	21,710,944.22
Borrowings and repayments from employees' retirement system.....	100,000.00	-----	-----	-----	-----	100,000.00
Total, transfer receipts.....	24,646,230.70	-----	827,801.40	1,821,856.31	91,295.65	27,437,184.06
Total, receipts.....	107,809,688.89	28,362,332.34	7,015,366.81	10,000,310.02	3,371,190.78	156,558,888.84
Available cash at beginning of year.....	29,650,963.89	11,188,923.44	441,543.87	1,508,002.02	596,502.44	42,502,843.52
Grand total.....	137,460,652.78	39,551,255.78	6,573,818.54	11,508,312.04	3,967,693.22	199,061,732.36

Consolidated statement of operations—Territory of Hawaii and its political subdivisions—Payment for the fiscal year ended June 30, 1950

Object of payment	Territory of Hawaii	City and county of Honolulu	County of Maui	County of Hawaii	County of Kauai	Total
GOVERNMENTAL COST PAYMENTS						
Division of government:						
General government:						
Protection:	\$5,020,862.83	\$1,779,625.06	\$345,190.30	\$448,758.18	\$249,755.04	\$5,444,221.41
Highways:	5,981,061.46	3,918,536.35	596,556.52	788,176.94	514,280.43	11,798,611.70
Development and conservation of natural resources:	10,156,506.62	3,218,993.77	459,620.62	1,473,167.70	536,030.41	15,844,339.12
Health and sanitation:	1,919,824.90	5,078,432.05	73,785.00	585,649.91	56,680.36	1,519,824.90
Hospitals and institutions for handicapped:	2,282,950.57	575,728.80	1,006,013.38	1,167,464.84	321,493.74	8,078,506.89
Charities:	8,986,641.40	9,677,143.85	9,920.30	746,091.42	29,038.56	12,057,345.16
Correction:	2,178,083.17	124,983.19	41,437.77	307,168.47	143,441.37	2,344,509.13
Schools:	18,907,241.27	1,901,363.54	268,325.90	252.12	664.09	22,120,342.64
Libraries:	707,560.25	2,737,069.67	97,902.43	376,380.08	708,476.46	708,476.46
Recreation:	297,413.48	1,199,495.31	407,001.29	113,034.38	154,419.62	3,583,000.42
Miscellaneous:	7,061,107.84	4,344,006.26	364,811.69	6,006,144.04	2,544,134.57	9,284,927.96
Contributions to public service enterprises:	3,012,957.10			3,287.88		7,989,229.05
Total:	76,390,379.74	24,878,234.00	3,670,565.20	6,039,022.92	2,544,134.57	113,489,457.55
Interest:	327,497.25	609,560.39	46,091.23			1,016,027.75
Total, governmental cost payments:	76,717,876.99	25,487,794.39	3,716,656.43	6,039,022.92	2,544,134.57	114,505,485.30
NONGOVERNMENTAL COST PAYMENTS						
For debt obligations:						
To other civil divisions:	1,489,471.23	990,767.07	1,604,950.49	730,778.20	187,340.62	5,003,307.61
For objects of private trust:	3,676,050.26	6,579.75	145,444.06	59,718.67		3,887,792.74
For investments purchased:		115,005.06	135,477.33	250.00		250,732.39
For increase of storehouse supplies:	2,648,649.00			10,000.00		2,658,649.00
Outlay payments offset by receipts:	682,359.27	14,386.77	22,134.85	22,334.85	7,505.16	726,386.05
For counterbalancing payments:	2,870.02	319,595.24	198,799.78	885,886.65		1,407,157.69
Total, nongovernmental cost payments:	8,503,911.32	1,468,648.09	2,085,967.96	1,867,221.49	194,845.78	14,120,594.64

TRANSFER PAYMENTS					
Nonrecoverable transfers to other funds.....	3,636,571.98	779,181.01	1,059,532.48	91,295.65	5,506,581.12
Nonrecoverable transfers to employees' retirement system.....	2,945,760.92	-----	-----	-----	2,945,760.92
Borrowings and repayments to other funds.....	20,900,000.00	48,620.39	762,323.83	-----	21,710,944.22
Borrowings and repayments to employees' retirement system.....	100,000.00	-----	-----	-----	100,000.00
Total, transfer payments.....	27,582,332.90	827,801.40	1,821,856.31	91,295.65	30,323,286.26
Total, payments.....	112,804,121.21	6,630,425.79	9,728,100.72	2,830,276.00	158,949,386.20
Available cash at close of year.....	24,656,531.57	66,607.25	1,780,211.32	1,137,417.22	40,112,366.16
Grand total.....	137,460,652.78	6,573,818.54	11,508,312.04	3,967,693.22	199,061,732.36

Treasurer's report.—The outstanding bonded indebtedness of the Territory as of June 30, 1950, was \$19,693,000, as compared with a gross bonded debt of \$9,425 as of June 30, 1949.

During the fiscal year the Territory sold \$13,000,000 in public improvement and general obligations bonds.

The legal debt margin of the Territory as of June 30, 1950, is as follows:

Bonded debt limitation set by act of Congress, \$50,000,000. Outstanding indebtedness of \$19,393,000. Excess of authority to borrow over existing indebtedness, \$30,607,000.

Cash on hand and in banks for all funds amounted to \$37,197,543.31. For security of the funds deposited in banks, there was an excess of \$7,575,045.71 of bonds over deposits.

Corporations.—There were registered with the office of the territorial treasurer for the fiscal year, 1,491 domestic joint-stock corporations, 621 domestic eleemosynary corporations, 167 joint stock corporations, 27 foreign eleemosynary corporations, 2,568 general partnerships, 11 special partnerships and 58 limited partnerships.

Banks.—Four banks, with 40 branches, were in operation in the Territory at the close of the fiscal year. These four, with main offices in Honolulu, were American Security Bank, Bank of Hawaii, Bishop National Bank of Hawaii, and the Liberty Bank of Honolulu. These banks operate branches on the Islands of Oahu, Maui, Hawaii, Kauai, and Lanai. Bank clearances between July 1949 and July 1950 amounted to \$1,703,347,996.58. Total assets of the banks was \$400,031,455.68.

Trust companies.—Five trust companies were in operation in the Territory at the close of the fiscal year. They were the Bishop Trust Co., Ltd.; Cooke Trust Co., Ltd.; First Trust Co., of Hilo, Ltd.; Hawaiian Trust Co., Ltd.; and the Honolulu Trust Co. Total assets of these trust companies was \$17,990,978.87.

Savings, building, and loan associations.—Nine associations were in operation in the Territory at the close of the fiscal year. These were: Home Building & Loan Association, Ltd.; Honolulu Savings & Loan Co., Ltd.; International Building & Loan Association, Ltd.; Oahu Savings & Loan Association; Pioneer Savings & Loan Association; Territorial Building & Loan, Ltd.; American Savings & Loan Association; State Savings & Loan Association; and First Federal Savings & Loan Association of Hawaii. These associations had combined assets of \$43,336,467.32.

Industrial Loan Act.—The combined assets of thirty-nine licensees under the Industrial Loan Act totaled \$13,997,138.09.

Real property assessments.—The gross assessed valuation of real property in the Territory for the fiscal year was \$772,783,811. Non-taxable exemptions amounted to \$322,656,361, statutory exemptions \$114,744,768, and valuations on appeal \$1,738,738, leaving a net assessed valuation for taxation amounting to \$333,643,899. The tax rates per \$1,000 in valuation follow:

City and County of Honolulu.....	\$33. 06
County of Maui.....	29. 72
County of Hawaii.....	34. 48
County of Kauai.....	31. 80

United States internal revenue.—There was a decrease of \$9,761,-787.51 in the receipts of the Office of the United States Internal Revenue, District of Hawaii. Total collections amounted to \$81,062,910.49 for the fiscal year 1949-50 as compared with \$90,824,698 for 1948-49, and \$107,651,471 for 1947-48.

COMMERCE AND BUSINESS

CALENDAR YEAR 1949 ¹

Business conditions.—Despite the waterfront strike which tied up island ports for 177 days, reports of business firms and governmental agencies in Hawaii at the close of the calendar year 1949 showed business to be in sound financial condition.

The volume of business transacted in the Territory of Hawaii during 1949 totaled \$1,192,731,693.63, a decrease of \$54,152,791.58.

Retail sales led all business activities during 1949 with a total volume of \$499,044,459.80, compared with \$495,047,544.02 in 1948, an increase of \$3,996,915.78.

Second largest was wholesale trading with a total of \$209,846,427.91, compared with \$242,358,814.00 in 1948, a decrease of 13.41 percent, or \$32,512,386.09.

Wages paid out in the Territory during 1949 totaled \$423,969,531, or \$16,942,039 below the 1948 total of \$440,911,570. Dividends paid during the calendar year totaled \$30,388,991.50 as compared with \$32,-530,163.50 during 1948, a decrease of \$2,141,172.

The following facts and figures obtained from private firms and government agencies provide an economic index to the prosperity and commercial position of the Territory of Hawaii:

Air transportation.—During 1949 an average of 10,300 persons a month flew across the Pacific by way of Honolulu airport. Interisland traffic averaged more than 35,000 persons a month.

¹ Compiled by the Chamber of Commerce of Honolulu.

Banks.—Bank clearings for the year 1949 were \$1,642,926,878 compared with the 1948 total of \$1,785,356,736, a decline of more than \$140,000,000.

Building.—The value of building in the city and county of Honolulu during 1949 totaled \$30,003,208, compared with \$46,046,892 in 1947.

Customs receipts.—Custom receipts for the district totaled \$1,954,-111.69 in 1949, compared with \$1,925,200.71 in 1948.

Diversified crops.—The value of diversified crop and livestock marketings in 1949, based on wholesale prices, is estimated at \$29,-467,000, compared with \$30,752,000 in 1948. Of this total, 71 percent, or \$20,964,000 was from livestock and poultry products. Fruits, vegetables, and miscellaneous crops amounted to \$8,503,000 or 29 percent.

Internal Revenue.—Internal revenue collections for the Territory of Hawaii during the fiscal year 1949 totaled \$91,203,211.32, compared with \$108,177,886.66, a decrease of 15.7 percent.

Motor vehicles.—There were a total of 128,113 vehicles registered in the Territory of Hawaii as of December 31, 1949, as compared with 118,728 as of December 31, 1948.

New business.—There were 39,658 business licenses issued by the Tax Commissioner during 1949, compared with 39,741 in 1948. The number of business licenses canceled during the year was 9,514 compared with 9,412 in 1948. The total of net active licenses at the end of the year was 30,144.

Pineapples.—The total pack of Hawaiian pineapples for the fiscal year ending May 31, 1949, was 23,739,983 cases, of which 10,043,075 were juice and 13,696,908 were sliced and crushed and solid pack crushed. The pack was valued at approximately \$75,000,000.

Postal Receipts.—Postal receipts in Honolulu amounted to \$2,846,276.07 for 1949, compared with \$3,393,747.66 in 1948.

Real property.—The gross value of real property in 1949 totaled \$716,591,071, compared with \$589,815,264 in 1948.

Shipping.—During 1949, 990 ships from overseas arrived and departed from the Port of Honolulu, compared with 860 in 1948. The gross tonnage for 1949 was 8,352,244, compared with 6,951,233 for 1948.

Stocks and bonds.—The Honolulu Stock Exchange reports stocks and bonds traded in during 1949 totaling \$3,244,138.64, compared with \$4,513,118.06 in 1948. Stock sales fell off \$1,161,829.42 in 1949, while bond sales decreased by \$107,150. Net decrease in trading volume on the exchange was \$1,268,979.42.

Sugar.—In 1949, the approximate value of the raw sugar, molasses, bagasse, other byproducts manufactured and Sugar Act conditional

payments received was \$112,278,000. Production of raw sugar for 1949 totaled 955,891 tons, compared with 835,107 tons in 1948.

Tourist industry.—It is estimated that 50,000 persons from the mainland of the United States and foreign countries will visit Hawaii during 1950. The number of tourists in 1949 was 25,000. The tie-up of ships due to the prolonged strike prevented many persons from visiting the islands.

Tax collections.—Tax collections in the Territory in 1949 from all sources, Federal, Territorial, and county, totaled \$160,632,106 compared with \$163,836,560 in 1948.

Wages, salaries, dividends.—Wages and salaries paid in the Territory of Hawaii during 1949 totaled \$451,071,300, compared to \$440,911,570 in 1948.

